

The Gambia: Poverty Reduction Strategy Paper—Annual Progress Report

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ANNUAL PROGRESS REPORT
July 2002- December 2003

Department of State for Finance and Economic Affairs (DOSFEA)

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FOREWARD

This is the first progress report covering the first eighteen months of SPA II Implementation; July 2002 to December 2003. The report brings together the progress achieved so far in operationalizing SPA II concentrating on key programmatic areas, reform measures called for by the Strategy and resource mobilization efforts. The report further identifies strengths, weaknesses, threats and opportunities that lie ahead, as well as required urgent action in our journey to reach completion point under the enhanced HIPC initiative target.

I am delighted to note that the report has brought to the fore, the daunting task of transforming policy ideas into action, particularly during a period when the country is faced with limited financial and human resources. Despite the constraints however, some progress was registered within the short time since we took off implementation during the latter part of 2002.

It is intended that this report acts as a trigger and early warning on the road to completion of the first year of SPA II Implementation. The report will help both government and partners to become responsive and focused on our promises and anticipated actions as evident in the SPA II priority areas. The information in this report will further contribute to focusing our budgetary allocations and policies on key issues in fighting poverty and making SPA II a reality.

Moussa Gibril Bala-Gaye

Secretary of State for Finance and Economic Affairs

LIST OF ABBREVIATIONS

ADB	African Development Bank
ANR	Agriculture and Natural Resources
BADEA	Bank for Economic Development in Africa
CBEMP	Capacity Building For Economic Management
CBO	Community Based organization
CDD	Community Driven Development
CFAA	Country Financial Accountability Assessment
CPI	Consumer Price Index
CSD	Central Statistics Department
CSIP	Community Skills improvement Programme
CSO	Civil Society organization
DFID	Department For International Development
DOP	Department of Planning
DOSE	Department of State for Education
DOSFEA	Department of State For Finance and Economic Affairs
DOSLG	Department of State for Local Government and Lands
EMCBP	Economic Management Capacity Building Project
EMPU	Economic Management and Planning Unit
EPI	Expanded Programme on Immunization
EU	European Union
FASE	Fight Against Social and Economic Exclusion
GCCI	Gambia Chamber of Commerce and Industry
GDP	Gross Domestic Product
GGC	Gambia Groundnut Council
HILEC	High level Economic Committee
HIPC	Highly Indebted Poor Countries
IDSC	Inter-Departmental Steering Committee
IFMIS	Integrated Financial Management Information System
ILO	International Labour organization
IMR	Infant Mortality Rate
LGA	Local Government Authority
MMR	Maternal Mortality Rate
MOU	Memorandum Of Understanding
MTEF	Medium Term Expenditure Framework
MTEP	Medium term Expenditure Plan
NACP	National AIDS control Programme
NEA	National Environment Agency
NEFCOM	National Emergency Fiscal Committee
NGO	Non Government organization
NPCS	National Population Secretariat
PEMU	Programme Evaluation and Monitoring Unit
PER	Public Expenditure Review
PHC	Primary Health Care
PRGF	Poverty Reduction Growth Facility
PRSP	Poverty Reduction Strategy Paper
RDS	Rural Development Strategy
SDF	Social Development Fund

SPA	Strategy For poverty Alleviation
SPACO	Strategy for Poverty Alleviation Co-ordination Office
SPP	Strategy Planning Process
TVET	Technical, Vocational Education and Training
U5MR	Under-five Mortality Rate
UNAIDS	United Nations AIDS Programme
UNDP	United Nations Development Programme
UNICEF	United Nations children's Fund
VDC	Village Development Committee
WDC	Ward Development Committee

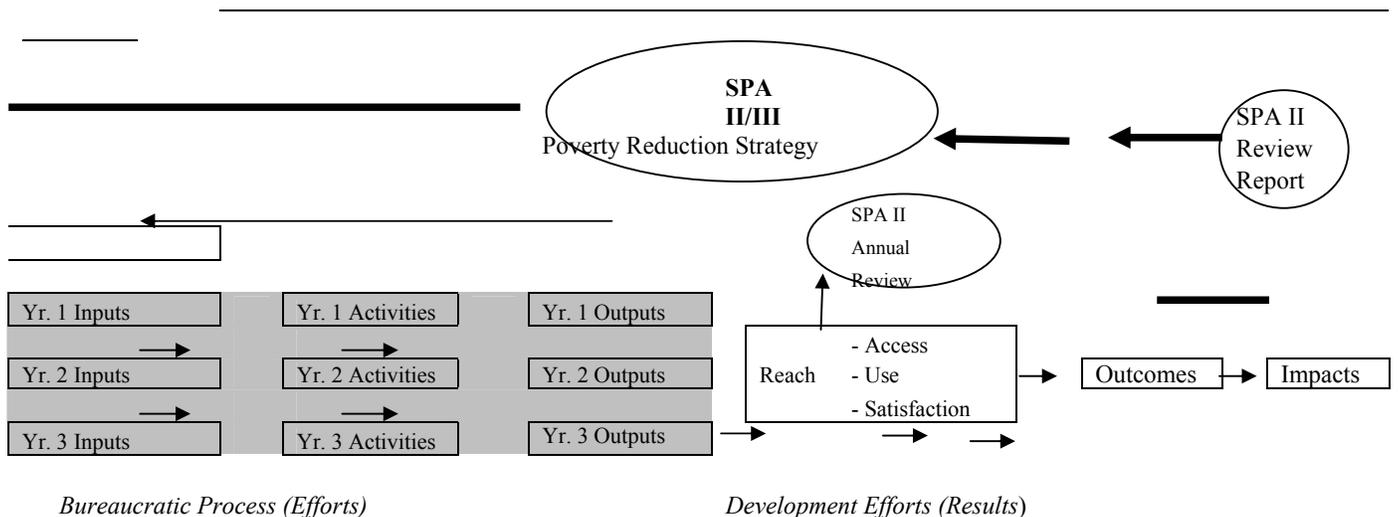
CHAPTER 1: INTRODUCTION

1.1. Overview

Reducing absolute poverty in the Gambia has been a key government objective ever since the first days of independence. In recent years, concerted and affirmative action towards Poverty Reduction began with the country's first strategy for poverty reduction SPA I, which started in 1994.

After five years of implementation, government conceived SPA II as a rolling and dynamic medium-term inter-sectoral planning instrument. SPA II is integrated into the normal planning and implementation cycles as an expression of priorities in the fight against poverty established in 2002 – 2005 Government Program. The planning, implementation and review process as shown below is a cycle involving provision of inputs used to implement activities that yield outputs. The access, use and level of satisfaction (reach of services provided) of the intended beneficiaries results to outcomes and impact in terms of improvements in livelihoods. Annual PRSP/SPA II reviews would focus on measuring inputs provided, activities undertaken and outputs realized, as well as reach of beneficiaries. Three-yearly assessments would measure outcomes and impact realized.

Overview of SPA II Planning and Review Cycle



The Gambia commenced work on an interim-PRSP in November 2000, when His Excellency the President launched the participatory process that was to lead to an assessment of the first Strategy for Poverty Alleviation and culminate in a newly elaborated Poverty Reduction Strategy Paper (PRSP). The final PRSP was submitted to the Executive Boards of the International Monetary Fund and the World Bank in April 2002, and was endorsed in May 2002. In September of the same year, the Government of the Gambia and its Development Partners held a Round Table Conference in Geneva, Switzerland, on the Program and Technical Assistance requirements emanating from the PRSP. The PRSP received remarkable pledges of support from the Donor Community present at the

Conference, which pledges have since been followed up by joint reviews of Country Assistance Strategies by the leading Development Partners in The Gambia.

Poverty is generally seen in SPA II as a human condition characterized by sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights. Since commencement of SPA II Implementation, all these rights are equally important as a means of ensuring that all people have a life of freedom and dignity.

This report provides information and analysis regarding the achievements and shortfalls experienced between July 2002 and December 2003 with respect to the poverty targets, priority public actions, and the monitoring and evaluation systems put in place for the PRSP/SPA II. The report further highlights important changes necessary in the strategy as appropriate in light of implementation experiences to date, changes in exogenous factors, and new data and analysis regarding poverty and its dimensions. As the main government document on the status of implementation, the progress report informed and/or involved domestic stakeholders and partners on all issues regarding implementation in order to build support for smooth implementation of SPA II. This report takes stock of the eighteen months of implementation, outlines constraints and highlights necessary measures (policy reforms and programmatic actions) required for effective implementation and subsequently to achieve the objectives and targets set in SPA II.

1.2. PRSP/SPA II Implementation framework

The High-Level Economic Committee, under the chairmanship of the Vice President, provides overall guidance for the implementation of the strategy. The SPA II programme is being coordinated by SPACO, established under the direct supervision of the Permanent Secretary, Department of State for Finance and Economic Affairs. Focal points in each participating national agency have been identified with a view to maintaining a permanent dialogue with SPACO.

The Department of State for Local Government and Lands facilitates the local level capacity building and decentralization aspects of the strategy. However, this is yet to be realized as the decentralization process is undergoing delays with regard to the development and passing into law of instruments such as the Finance and Audit Bill, and the Local Government Service Scheme that will make it operational.

The implementation process started with the formation of the institutions responsible for overseeing implementation. The inter-Departmental Steering Committee (IDSC) chaired by DOSFEA was launched in February followed by the inauguration of the four thematic groups; Co-ordination of implementation, Aid Co-ordination, planning and budgeting, Participation and participatory processes, and Monitoring and evaluation.

Members of the thematic groups continue to meet on implementation issues relevant to their respective mandates. However, only the thematic groups on monitoring and evaluation and participation and participatory processes have been very active. The thematic group on monitoring and evaluation has met several times to review drafts of the monitoring and evaluation strategy whilst the thematic group on participation and participatory processes led the divisional PRSP dissemination workshops. There has also been extensive consultations with partners to further familiarise them with the PRSP and also allow for an update of

issues not detailed out in the document particularly the cross-cutting issues and how these will be mainstreamed. Consultations undertaken include:

- National stakeholder meeting –Demystifying the PRSP/SPA II
- National workshop for National Assembly members to familiarize them with the PRSP/SPA II
- Divisional workshops (six divisions and Banjul/KMC) for divisional implementers

These consultations resulted to greater awareness and understanding of the PRSP at both national and divisional level and provided the opportunity to incorporate specific, objectives and implementation arrangements for specific cross cutting issues that were not detailed out in the PRSP. Strategies and objectives for the cross-cutting areas; gender, nutrition, population, HIV/AIDS and water and sanitation have now been incorporated into the PRSP.

1.3. Poverty Monitoring

The monitoring strategy of the SPAII was designed over a one year period between January and December 2003. As part of the implementation process of SPAII, a Thematic Group on monitoring and evaluation was set up and this group took charge of the M & E development process which went through several stages. The strategy enhances the establishment of effective monitoring an evaluation system to guide the implementation, monitoring and evaluation of poverty reduction programmes at national, sectoral and LGA levels. A key area that is addressed is the measurement of the impact of public policies on the welfare and well being of poor people as well as progress being made in the implementation of planned activities and production of outputs. This measurement of progress is all encompassing and includes measuring progress towards achievement of the millennium development goals (MDGs).

The monitoring and evaluation of SPA II is within an institutional framework that recognizes the challenges associated with strategies to reduce poverty, and the multiplicity of agencies involved. Thus to ensure effective coordination of monitoring processes, an organizational framework in which the High Level Economic Committee (HILEC) provides institutional guidance and political leadership for implementation has been created. An inter Departmental steering Committee (IDSC) ensures adequate flow of information between government departments and also channels issues for decision-making at the policy level; and assess constraints and opportunities in monitoring, and make decisions concerning resources.

In addition, six sub-committees or technical working groups oversee day to day implementation and coordinate poverty-monitoring activities in their respective areas including contributions to the major outputs of the poverty monitoring system such as the semi-annual SPA II report.

Government has created an enabling environment for the participation of civil society and the private sector in the monitoring of public expenditure. The DOSFEA initiative on budget consultations with civil society organizations is being strengthened, and central and key sector ministries are being encouraged to discuss budgets and funding allocations with stakeholders such as beneficiaries, civil society organizations and donors before submission to the Department of State for Finance and Economic Affairs.

In implementing the poverty monitoring strategy, individual agencies carry out monitoring and evaluation of their respective programmes as part of their day to day activities whilst SPACO provides the co-ordinating role as well as solicit for support to strengthen institutional capacity for the respective institutions to effectively carry out their monitoring and evaluation roles. Thus the emphasis is on strengthening and improving existing capacities in the sectors to make them more efficient and responsive to needs of data users as well as attempting to harmonise information collection systems to reduce duplication and transaction costs.

Poverty monitoring activities undertaken in 2003 include a service delivery survey covering the health and education sectors, conducted in January and supplemented with participatory Poverty Assessments in the same sectors. The Education PPA, focused on teaching and learning materials and links with household expenditure and poverty. The health PPA focused on beneficiary perceptions of quality of health care and financial risk protection of the Poor. These fed into on-going revision of the education policy and development of the new health care financing mechanisms.

Data collection for the integrated household survey started in February and currently the data entry has just been completed. Data collection for the re-basing of the CPI also started since January. Updating of the PERs for the agriculture, health and education sectors is about to start and new PERs for the Works and Infrastructure is nearing completion. An analysis of poverty reducing public expenditure for 2003 has been undertaken and a poverty reducing expenditure report for the period compiled.

With regard to sectoral indicators, the planning units of the respective sectors continue to collect and analysis data for their respective sectors to provide updated data on the status of the SPA II indicators. The status of the PRSP performance indicators that are tracked on an annual basis are shown in the table below.

Table 1.1. PRSP Key performance indicators

SPA II Objective	Outcome Indicators	Baseline (2002)	2003	Target (2005)
Improving the Enabling Policy Environment to promote growth and Poverty Reduction.	<ul style="list-style-type: none"> ▪ Poverty head count index ▪ Prop. below Food poverty line ▪ Inflation rate ▪ GDP growth 	47% 30% 8.0 4.0	47% 30% 17.03 7.1	39% 24% 4% 5.0
Enhancing the Productive Capacity and Social Protection of the Poor and Vulnerable.	<ul style="list-style-type: none"> ▪ Average annual HH income ▪ Agriculture share (%) of GDP ▪ Production & productivity of major crops: groundnuts, rice, maize, millet 	D 4,073 25.8% Details in agric. section	N/A 27.8% Details in agric. section	N/A 35% Details in agric. section
Improving Coverage of the Unmet Basic Needs of the Poor.	<ul style="list-style-type: none"> ▪ Gross Enrollment rates Lower Basic Upper basic ▪ Infant Mortality Rate ▪ Maternal Mortality Rate 	85% 66% 84/1000 7.3	90% 72% 84/1000 7.3	90% 90% 60/1000 6.0
Building Capacity for Local, People-centered Development through Decentralization.	<ul style="list-style-type: none"> ▪ Functional local governance structures (VDC, WDC) ▪ Functional mechanisms for resource/service transfer to Councils ▪ Implementation of local development plans 	Operational in 3 divisions	Operational in 3 divisions	Operational in all 8 LGAs

SPA II Objective	Outcome Indicators	Baseline (2002)	2003	Target (2005)
Mainstreaming Gender Equity, Environmental Issues, Nutrition, and HIV-AIDS awareness into all development Programs	▪ HIV/AIDS prevalence	2.1%	1.9%	1.5%
	▪ Malnutrition rate	13.5%	12.0%	17.0%
	▪ Contraceptive Prevalence Rate	9%	9%	15%
	▪ Female enrolment ratios			
	Lower Basic	48%	49%	50%
	Upper Basic	42%	44%	50%

1.4. Update on the poverty situation

As the 2003 Household expenditure survey data is still being processed, updated information on income poverty is not available. However adverse macro economic developments during the period, such as the sharp declining value of the Dalasi against major currencies and galloping inflation led to rapid increases in prices and a subsequent decline in the purchasing power of people. The increase in the Central Bank re-discount rate led to increases in lending rates of commercial banks and the micro-finance institutions. Thus access to finance became more difficult for those at the grassroots as many people are unwilling to borrow from the Micro finance institutions and VISACAs at the high interest rates.

At the macro-level, the country suffered from low growth and high inflation rates in recent years, culminating in negative growth in 2002. There has been a recovery reported for 2003, when the economy is estimated to have grown by 7%, largely on account of a major recovery in agriculture. A strong decline in domestic demand resulted in the contraction of the external current account deficit. Overall, the PRSP macro-economic targets have not been met, as the economic situation further deteriorated under the pressure of emerging fiscal, monetary and debt sustainability difficulties. Growth in broad money during 2003 was exceptionally strong; reserve money grew by 63%, financed entirely by the Central Bank of The Gambia; the recourse to conversion of debt into new emissions of Treasury Bills introduced a new phenomenon of unsustainable domestic debt servicing, further curtailing opportunities for increasing investments in poverty programs.

These developments have hurt the poor in a number of ways; high inflation has meant that basic food prices have increased under pressure of the declining exchange rate of the Dalasi to major international currencies. This development explains the drop in domestic demand as poorer households reduced their expenditure on non-food items to maintain basic necessities. Under these circumstances, the MDG target of reducing to 38% the proportion of people living below the international poverty line of US\$1 a day is severely off-track. The annual increment of public investments in basic infrastructure cannot be met due to the debt servicing difficulties encountered, coupled with dwindling external inflows. There has been declining recurrent spending in education and health from domestic resources, and an increasing reliance on external grants is likely to become a trend in the near term.

CHAPTER 2

MACRO-ECONOMIC DEVELOPMENTS AND PUBLIC RESOURCE MANAGEMENT

2.1. Overall macroeconomic performance

Since 2002, there have been unfavorable macroeconomic developments that caused major slippages on the macroeconomic targets as set out in both the PRSP and PRGF program. The anticipated level of GDP growth is lower than the originally envisaged figure by 8 percentage points, the inflation rate edged up wards from its expected level of 3 percent to 16 percent in April 2004 and the import cover in 2004 was lower than the PRGF target. These targets were not only compactable with macroeconomic stability but at the same time are supportive of a meaningfully poverty reduction effort in The Gambia.

Notwithstanding the drought in 2002 and its spill over effects on other macroeconomic variables and GDP growth in particular, which actually contracted by 3 percent during this year, and the macroeconomic imbalances, the economy witnessed a strong rebound with an impressive real GDP growth rate of 7 percent in 2003 owing mainly from a good harvest in almost all the crops as a result of very good rains. The 2002 outturn has been very bleak due largely to the fact that the rainy season was poor. The outlook for 2004 is very encouraging and GDP growth is expected to remain unchanged from the real growth rate realized in 2003.

During 2003 and 2004, the economy has been overheating and the inflation figures moved to double digits and by end-December 2003, it was at 18 percent but this receded to 16 percent in April 2004. Between end-December 2002 and September 2003 the Dalasi depreciated in nominal terms by about 43 percent, 50 percent, and 58 percent against the US Dollar, Pound Sterling, and Euro respectively. Broad money grew by 35.5 percent and this expansionary monetary policy was partially as a consequence of an 80 percent rise in private sector credit amongst other things.

To tighten monetary policy, some policy measures were undertaken in 2003. These included raising the minimum reserve ratio from 14 percent to 16 percent and later to its current 18 percent level. The Treasury bill yield was jacked up from 25 percent to 31 percent in September 2003 and the banning of the black market operators in foreign exchange, among other things. Consequently, since the last quarter of 2003, the exchange rate of the Dalasi depreciated slightly against all major currencies and has significantly been stabilized as compared to early 2003.

Although fiscal policy in 2002 experienced some pressures from debt service, lower than anticipated customs revenues and expansionary levels of expenditure that resulted to an overall deficit excluding grants, HIPC and PRSP expenditure of 8.1 percent of GDP. Fiscal policy was substantially tightened and this resulted to an overall deficit (including grants and on a commitment basis) of 4.5 percent of GDP in 2003. In 2004, fiscal performance was very encouraging in the first half of this year as recurrent expenditure remained as targeted, revenues significantly overshot its target and capital expenditure showed a strong rebound thanks to more-than-anticipated flows from externally funded expenditure. The target for the deficit is anticipated at less than 4 percent of GDP.

The objective for 2005 is to attain a 5 percent real growth in GDP and curtail inflation rate to around 6 percent. In addition to these broad macroeconomic variables, the current account deficit is anticipated to reach 15 percent while the international reserves will be maintained at 5 months of imports cover.

The social sectors bore the brunt of the macroeconomic imbalances stemming from contractions in growth in 2002, a depreciated Dalasi and a growing and unsustainable domestic debt. The situation will be worsened in 2005 by the fact that the Interim HIPC debt relief (budgetary support of between 3 to 5 million annually) will exhaust in 2004 until such a time when resources will be released by reaching the HIPC Completion Point. The creation of the National Emergency Fiscal Committee in 2002 succeeded in reducing the fiscal overruns and by end 2002, the deficit, excluding grants and HIPC was 4.2 percent of GDP. Although for the remaining months of 2004, NEFCOM will be according high priority to the social sectors.

Table 2.1. PRSP Key Macroeconomic Objectives (annual % unless otherwise indicated)

Indicator	2002	2003		2004	2005
	Actual	Target	Actual	Target	Target
Real GDP growth	3.2	6.0	7.0	7.1	5.0
Fiscal deficit (excluding grants, HIPC & PRSP) as % of GDP	8.01	2.7	5.9	4.8	3.8
Exports F.O.B in US Dollars	109.3		101.0	124.0	134.0
Current Account deficit (excluding official transfers) as % of GDP	-16.1	12.3	14.6	14.5	15.3
Current Account deficit (including official transfers) as % of GDP	-5.5	5.0	5.2	6.1	6.8
Gross official reserves as months of imports (incl. Transit)	4.2	5.2	4.4	4.8	5.1
Broad money growth	35.3	9.9	43.3	20.0	10.5
Inflation	8.6	4.0	18	14.5	6.0

However, since the slippages in macroeconomic policies contributed to the non-attainment of the targets as set out in both the PRSP and the PRGF, there is therefore need to set a medium term horizon that detail out all intended corrective measures. As a start the Government has negotiated a Staff Monitored Program (SMP) that runs from July 2004 to December of the same year. The end-year targets of this SMP are reflected in the 2004 column as in the above table.

After the successful completion of the SMP, government will negotiate a new Poverty Reduction and Growth Facility by which the donor's Conference in Brussels would have ended and both processes would have been a basis for a more realistic medium term goal. Suffice it to say that the medium term macro-economic policy goals of the Government is to maintain the level of budget deficit below 5 percent, put the economy on a sustainable growth path of at least 6 percent, maintain at least a 5 months import cover of international reserves, tighten monetary policy and hence aim at reversing the inflation rate from its double digit level to a single digit. Other structural rigidities to enhance the real sector particularly revitalizing the groundnut sub-sector, the manufacturing sector and the tourism sectors are either being reviewed or are at an advanced stage of being implemented. In light of the above, discussions, the most feasible thing to do is to lengthen the time horizon required to achieving the stated objectives of the PRSP.

2.2. Public Resource Management

Apart from the fiscal and monetary issues already discussed, there are also problems with the management of public expenditure for example the unrecorded expenditures that were a source of misreporting fiscal data in 2002. However this has been addressed by the Department of State for Finance and Economic Affairs and efforts have made to ensure that this is not repeated in the future.

2.2.1 Governance of the Central Bank

During 2003 under review, the authorities became concerned about governance issues at the Central Bank. Recognizing that good governance was a prerequisite to the conduct of effective public policy, the authorities took prompt corrective actions to improve governance. The long drawn out audit of the financial statements for 2001 and 2002 were completed during the year. In addition, the long serving external auditor of the Central Bank was replaced and several senior officials of the bank were removed.

The Central Bank has recovered some of the amounts due from foreign exchange bureaus in relation to outstanding foreign exchange purchase contracts and will continue to take the actions required under the laws of The Gambia in relation to this issue.

A process of reviewing the Central Bank of The Gambia Act 1992 was commenced in March 2003. The Focus of the review was to bring the legal framework in line with current international best practice by making the Central Bank more autonomous in its administration and in its conduct of public policy. The review also sought to increase transparency and accountability of the Central Bank for its monetary policy performance as well as for its use of resources.

In addition, progress was made in reinforcing internal controls in the Bank. The main features of these changes were:

- Strengthening the Internal Audit function;
- Introduction of new foreign exchange bureau licensing regulations and a new licensing regime similar to that currently in place for commercial banks;
- Implementation of new procedures for foreign currency dealing which included further separation of duties between the Bank's Foreign and Finance departments and verification by the Internal Audit Department;
- Implementation of reforms in the areas of monetary operations and accounting.

Some of these on-going reforms will however require capacity building efforts on the part of the Central Bank and technical assistance from Government's development partners.

2.2.2. Country Financial Accountability Assessment (CFAA)

A multi-donor Country Financial Accountability Assessment (CFAA) was undertaken early during year supported by a multiplicity of donors; mainly the World Bank and DFID, which came up with a lot of important recommendations for improving financial accountability in Government. The recommendations and action plan are being implemented by government spearheaded by the Department of State for Finance and Economic Affairs.

Achieving social sector targets is a shared responsibility between Government and the Donor community as a result there is an enhanced dialogue to make operational the sector-wide approach discussed and endorsed by stakeholders in the PRSP. From the perspective of Donors, the Country Financial Accountability Assessment, conducted in 2003, contains a clear road-map for Government to address pending Public Financial Management reforms; from the perspective of Government, however, there is little human and technical capability to carry out and sustain those reforms, even in the presence of continued technical assistance from Donors.

The outstanding components of the PFMR comprises of (i) updating existing PERs in Agriculture, Education and Health and two more PERs in Local Government and Works & Infrastructure, (ii) strengthening macro-economic and social statistics, (iii) tracking poverty reducing expenditure, (iv) improving aid coordination, (v) improving the capacity of Government to produce and audit annual Government financial statements in a timely manner, (vi) strengthening the development budget process to ensure investment priorities are consistent with the PRSP strategy, and (vii) preparing a detailed and time-bound outline of required donor technical assistance. The CFAA exercise conducted by Donors helped to further highlight where attention should focus; however, as at the time of publication, there has not been any significant implementation of the CFAA recommendations.

2.2.3. Capacity building for economic management

The government, through the Capacity Building for Economic Management project (CBEMP), pursued reforms in this area by building and enhancing capacities of relevant government institutions. Strategies pursued include strengthening the Central Revenue and Customs and Excise Departments, and strengthening public expenditure management at DOSFEA through staff training and establishment of a Medium Term Expenditure Framework (MTEF), procurement reform. Other areas of support for improved public expenditure management include the development and implementation of an Integrated Financial management Information System (IFMIS), strengthening the audit function and support to the personnel management Office (PMO). However, progress in implementation is well behind schedule but efforts are being made to improve and intensify implementation.

2.2.4. Privatisation and divestiture

The pace of the divestiture programme has remained slow during the course of 2003 although significant strides have been taken. One such development is the setting up of a Divestiture Implementation Task force which undertakes the detailed technical analysis related to divestiture.

Through a grant from the Public-Private Infrastructure Advisory Facility of the World Bank, a team of consultants is conducting a study on the regulatory framework for The Gambia. The primary objectives of this study are to support the Government in fine tuning the implementation plan for the divestiture program, help build consensus on the major regulatory options, and improve the design of the Multi-sector Regulatory Agency.

Many of the studies planned for the Track I Public Enterprises have failed to take off, pending the completion of the study on Private Sector Participation and Regulatory Framework for The Gambia. This study is currently ongoing and should be completed during

the first quarter of 2004. Following this, the planned sector studies shall commence and divestiture of selected Track II Public Enterprises shall also be initiated.

One other major constraint faced by the Agency during 2003 is inadequate capacity. GDA has encountered major difficulties in filling existing vacancies explained mainly by the poor remuneration package. Staff attrition has also been a problem.

The divestiture of GGC was supposed to have been completed in 2003 but due to certain constraints faced by the GDA, this could not be achieved. However, government established and operationalised the Public Utilities Regulatory Authority (PURA) in 2003.

2.2.5. Civil Service Reform

The Personnel Management Office is involved with public expenditure management and control as a statutory responsibility and to this sought and received support from the Capacity Building Economic Management Project (CBEMP) to finance some activities relating to public expenditure control especially as it relates to the personal emolument aspect of the national budget.

High on the PMO's agenda is Public Sector Management and Administrative Reform. Although the Office is the lead department for such reforms, it does not have adequate resources or expertise to undertake a task of this kind nor does it assume that the expertise is readily available elsewhere in the Civil Service or indeed within The Gambia. If necessary financial resources are available, PMO plans to undertake a preliminary study in order to provide an independent and objective assessment of the current status of Administrative Reform in the Civil Service in The Gambia and to advise on the measures that now need to be taken to accurate this process.

The overall goal of the programme is to reform and restructure the public sector into a lean, affordable and efficient service that is able to formulate sound gender sensitive and equitable public policy and to ensure that it can effectively implement the policies. Staff audits and wages validation exercises are also major activities undertaken to stem wrongful payment of salaries to ghost workers thereby easing the pressure on the civil service wage bill.

A major preoccupation of PMO continues to be Civil Service Human Resources Development. The Government is therefore committed to making, continuously, within its means, appropriate funds available for training. In addition to the centralized funds provided for training in the estimates of Recurrent Revenue and Expenditure, PMO exploits opportunities offered by multi-sectoral and bilateral donor agencies. Within the context of the above and in its capacity as the parent institution of the Management Development Institute (MDI), PMO works with development partners for the institutional renewal and reassessment of MDI's Mandate with a view to making it more responsive to the Civil Services Human Resource requirements.

However, a main constraint to the realisation of its objectives both in the short and long term is the high rate of attrition which is common to majority of Civil Service Departments. To find a way around this problem, a study is being undertaken with World Bank support through the CBEMP to examine the nature and causes of the problem as well as proffer solutions to it. A short listing and selection for procurement of consulting services for this activity has been undertaken and the study would hopefully begin soon.

2.2.6. Preparation and auditing of Government accounts

With the assistance of UK-DFID the backlog of un-audited accounts will be cleared in 2004 and the collective efforts to strengthen overall capacity at the NAO also enhanced on a sustainable basis.

i) Audit Reports

The National Audit Office continues to endeavour to meet the constitutional mandate of the Office and in this regard regular audits for government institutions are being carried out and reports on such audits are sent to the audited institutions and also copied to relevant authorities including the Office of The President. All reports are copied to the Permanent Secretary, Department of State for Finance & Economic Affairs. Any case involving fraud or misappropriation of Government funds are treated with severe sanctions by the due involvement of the Inspector General of Police and all relevant authorities.

ii) Backlog of Un-audited Accounts, 1991-1999

The National Audit Office takes the requirement to issue opinion on the accounts of The Gambia Government for 1991 to 1999 very seriously and as the topmost priority. Commitments were made to the National Assembly to audit the backlog and report at the end of December 2003. Technical assistance from DFID was expected by April 2003 but to date the technical assistance is yet to start although there were two visits by DFID consultants in the first and third quarters of 2003 to assess the extent to which sustainable change is possible within the NAO and to carry out a needs analysis of the Office respectively.

A Draft Project Memorandum, is being finalized and it is expected that technical assistants, i.e. two senior and experienced auditors will be in place in 2004 and this will specifically address the issue of the backlog and reporting to the National Assembly by the end of 2004. It should be noted that management letter issues for the period 31 December 1998 to 31 December 2002, have been compiled by the Office and these will be issued with the opinion on the backlog of accounts. The technical assistance will also address the broader issues of capacity building and institutional strengthening. CBEMP also has capacity building activities for the NAO, all of which are geared towards enhancing the NAO into an effective and well functioning Office.

iii) Government Support

The issue of un-audited accounts reflects negatively on financial governance but this is quite separate from the relentless efforts that are being made by Government to further strengthen the NAO. Government accepted the establishment of an independent NAO and the Office has been semi-autonomous from Government since January 2000. Efforts continue to be made for full autonomous status to be secured and these are important steps that Government has taken to provide the necessary enabling environment within which audits could be carried out and reports issued in the most transparent manner possible.

2.3. Public Spending

The review of the budget and re-alignment of the cost centers to the SPA II priorities based on the sector output indicators identified has been on-going. In the past, sector budgetary

allocations were not tied to deliverable outputs instead sectors were just prioritized without decomposing the cost centers and outputs. The adoption of an open budget making process, which started with the 2002 budget, which includes civil society groups, local communities and local governments in the budget formulation and delivery process, ensures that public resource expenditures are linked to priorities.

Estimated consolidated revenue fund receipts in 2003 increased by 31.4% over the previous year with tax revenue estimated to increase by 27.1% (Table 2.1). While the proportion of tax revenue dropped from 71.1% to 68.8% in 2003, the share/proportion of non-tax revenue increased 57.4% (table 2.2.). Indeed the tax collection rate as at end October 2003 was over 85% of estimate and had exceeded the actual tax revenue collection for 2002 by about 6% (see section on fiscal policy).

Table 2.2: Source of revenue 2002-2003

Revenue Source	2002	2003	% share		% change
	revised est	est.	2002	2003	
Tax revenue	1,012,050,000	1,286,610,000	71.1%	68.8%	27.1%
Non-tax revenue	163,601,775	257,461,334	11.5%	13.8%	57.4%
Non-Project Grants	247,000,000	325,000,000	17.4%	17.4%	31.6%
Total Consolidated Revenue Fund receipts	1,422,651,775	1,869,071,334	100.0%	100.0%	31.4%

Source: Estimates of Recurrent Revenue & Expenditure with Development Expenditure 2003 (approved copy)

However, debt service charges over the same period had increased from 26.8% of total recurrent expenditures in 2002 to 31.6% in 2003 (Table 2.3), representing a nominal increase of 61.2%. The impact of increased debt service charges is a reduction in the proportional allocation to the social sectors. Overall allocation to the three priority sectors, agriculture, health and education, reduced from 27.3% of total recurrent expenditures in 2002 to 25.9% in 2003, while the proportion of development budget allocation to these sectors fell from 46.6% to 30.6%.

Table 2.3: Sectoral Budget Allocation 2003

	Allocation			% shares		
	Recurrent	Development	Total Budget	Recurrent	Development	Total Budget
Education	208,254,770	111,962,163	320,216,933	12.2%	7.3%	9.9%
Health And Social Welfare	180,906,980	146,661,715	327,568,695	10.6%	9.5%	10.1%
Agriculture	53,006,270	114,345,413	167,351,683	3.1%	7.4%	5.2%
Debt Services	539,401,280	-	539,401,280	31.6%	0.0%	16.6%
Others	724,165,630	1,165,117,443	1,889,283,073	42.5%	75.8%	58.2%
Total	1,705,734,930	1,538,086,734	3,243,821,664	100.0%	100.0%	100.0%

It would be observed from table 2.3 above that agriculture received the overall lowest share (5.2%) of allocation amongst the three sectors. Though education received the largest share (12.2%) of recurrent expenditures, followed by health (10.6%) compared to 3.1% for agriculture, the reverse was the case for the development budget allocation where the largest

share amongst the three sectors was allocated to health (9.5%), 7.4% to agriculture and education received 7.3%. Given that the vast majority of Gambians, **91.1% of extremely poor household members are engaged in agriculture (1998 NHPS data)**, such budgetary allocation can be considered not to respond very well to the PRSP. Government must, therefore, be more proactive in the drive towards poverty reduction particularly as it relates to food security for the poor, who incidentally voiced out their preference (53%) for public expenditure towards agriculture, the highest, in the ‘budget game’ results of the PRSP.

As shown in table 2.4 below, the recurrent budget was mainly financed from GLF (96%) and HIPC resources (4%) whereas the development budget received additional resources from external grants and loans. Of the total development budget envelop, GLF and HIPC accounted for 5.5% and 5.9% respectively and the rest 88.7% financed from external grants (25.9%) and loans (62.8%). Overall, 36.9% of the total recurrent and development budget estimates is financed from external grants and loans, 4.8% from HIPC resources and the rest, 58.3% from GLF. This implies that the development budget is heavily dependent on donor funding and largely project driven. For effective resource utilization to reduce poverty, the linkage between the development and recurrent budget must be strengthened and, linked to the PRSP goals. The CFAA (June 2003) report, noted that the main difference between the two is the source of financing rather than the characteristics of the expenditure.

Table 2.4: Source of budget funding 2003

Source of funding	Allocation			% shares		
	Recurrent	Development	Total Budget	Recurrent	Development	Total Budget
GLF	1,637,820,270	66,883,614	1,704,703,884	96.0%	5.5%	58.3%
HIPC	67,935,490	71,283,600	139,219,090	4.0%	5.9%	4.8%
External Grants	-	315,467,491	315,467,491	0.0%	25.9%	10.8%
External Loans	-	64,235,096	764,235,096	0.0%	62.8%	26.1%
TOTAL	1,705,755,760	1,217,869,801	2,923,625,561	100.0%	100.0%	100.0%

The prioritization of poverty reducing expenditure goes beyond sectoral allocations. Within the prioritized sectors, the various interventions are prioritized according to their potentials. For instance in the education sector, over 80% of recurrent expenditure goes to basic education, which will ensure provision of free basic primary education to children particularly those from poor families. Similar trends are observable within the health sector.

2.3.1. Poverty focus of public expenditure

SPA II calls for a minimum allocation of 30% of the budget to direct poverty reducing activities. However as indicated in the analysis below, government is making strides to meet this but still falls short of the target especially in 2003 when PRSP expenditure constituted less than 15 percent of total expenditure. PRSP expenditure in 2002 was about 22 percent and the estimated expenditure level for 2004 is about 20 percent.

Domestically Financed PRSP Expenditure by Administrative Classification

(Percentage of total and sectoral expenditure)

Share of :	2002		2003		2004 ¹	
	Total	Sector	Total	Sector	Total	Sector
General Administration	1.13	3.46	0.87	2.67	1.08	3.69
Office of President	0.19	4.11	0.12	3.20	0.28	8.22
Judiciary	0.55	33.48	0.05	7.89	0.10	15.54
Finances, Ec. Affairs	0.21	3.34	0.54	8.05	0.55	8.54
Economic Services	6.69	60.34	3.52	43.37	4.23	53.57
Agriculture	1.99	70.00	2.09	64.11	2.22	76.63
Fisheries, NR,, Environ.	1.17	86.26	0.86	81.11	0.76	75.70
Pres. Aff., Wks, Com., Info.	3.50	63.44	0.51	17.97	1.18	36.93
Social Services	13.68	56.93	10.54	57.80	14.72	71.53
Education	10.79	70.39	7.14	75.81	7.22	69.81
Health & Social Welfare	2.89	35.18	3.39	40.60	7.43	75.61
Total	21.50		14.94		20.04	
Recurrent	13.60	15.30	11.70	12.60	14.97	16.43
Development	7.91	70.93	3.23	45.37	5.07	56.85
Total net of debt service	30.32		24.34			33.60

Source: World Bank Public Expenditure Review June 2004

The 2003 poverty reducing expenditure report shows that the Estimates of Recurrent Revenue and expenditure with Development Expenditure 2003 uses a coding system to identify expenditures regarded as PRSP related (code 1) and those not directly related to poverty reduction (code 0). The total estimate on poverty reducing activities and programmes for the three social sectors; health, education and agriculture in the year 2002 and 2003 are D390.47 and D462.67 million respectively. These allocations include HIPC Funds for the period. Spending has been high in the years under review. In 2002 and 2003, actual expenditure reached D346.22 and D296.17 million. Inclusive of expenditure of HIPC funds of D36.58 and D73.09 million, total actual expenditure amounts to D382.79 and D369.26 million respectively.

In the year 2002 inclusive HIPC funds, 50 percent of poverty reducing expenditure was allocated to Education, 34 percent to Health and Social Welfare, 11 percent to Agriculture and Natural Resources and Environment. In 2003, 45 percent was allocated to Education, 37 percent to Health and Social Welfare, 14 percent to Agriculture, Natural Resources and Environment.

The level of spending varies in the two periods under review. In 2002, actual expenditure from the GLF and HIPC in education, Health and Social Welfare, Agriculture, Natural Resources and Environment represented 53, 35, 9 and 3 percent of the total actual expenditure in the three sectors. With domestic resources complemented by HIPC funds, the total HIPC expenditure for the period was D36.58, of which 53 percent, 36 percent, 6 percent and 4 percent was spent on Education, Health, Agriculture, Natural Resources and Environment respectively.

Table 2.5.a. Summary of expenditure 2002: HIPC and GLF (In millions of Dalasis)

	2002								
	EST ¹		ACTUAL		HIPC		TOTAL		RATE OF TOTAL RES. UTILISATION
DOSE	194.32	50%	184.52	53%	19.44	53%	203.96	53%	105%
DOSHSW	134.30	34%	120.26	35%	12.13	33%	132.38	35%	99%
DOSA	44.27	11%	30.96	9%	2.75	6%	33.71	9%	76%
NAT. RES	17.58	5%	10.48	3%	2.26	4%	12.74	3%	72%
TOTAL	390.47	100%	346.22	100%	36.58	100%	382.79	100%	98%
AS A % OF ² TOTAL EST.	31%						30.6%		

Table 2.5.a. SUMMARY OF EXPENDITURE (2003): HIPC AND GLF

	2003								
	EST		Actual		HIPC		TOTAL		RATE OF TOTAL RES. UTILISATION
DOSE	208.65	45%	139.83	47%	13.02	18%	152.85	41%	73%
DOSHSW	172.93	37%	117.87	40%	44.62	61%	162.49	44%	94%
DOSA	63.88	14%	30.54	10%	11.60	16%	42.14	12%	66%
NAT. RES.	17.21	4%	7.93	3%	3.85	5%	11.78	3%	68%
TOTAL	462.67	100%	296.17	100%	73.09	100%	369.26	100%	80%
AS A % OF TOTAL EST.	27%						22%		

The rate resource utilisation among the sectors varied significantly in 2002. In table 2.5A, it can be observed that Education spent 10% percent of its resources while Health, Agriculture, Natural Resources and Environment spent 99, 76, and 72 percent respectively. The total resources allocated for poverty reduction represents 31 percent of the total estimates of government recurrent and development expenditure, while spending reached 30 percent (table 2.1A).

Poverty spending in 2003 has been generally lower than in 2002. This is as a result of the lower rate of government revenue collection, high rate loan repayments, and the application of monthly cash budget. However, given government's commitment to alleviate poverty, resource allocations to the social sectors have been much higher than the previous year. From a total recurrent and development resources allocation of D462.67 million, 45 percent was allocated to Education, 37 percent to Health and Social Welfare, 14 percent to Agriculture, 4 percent to Natural Resources and Environment.

¹ Estimates includes HIPC Funds

² This row shows the total estimate and spending in poverty activities and programmes in Education, Health, and Agriculture expressed as a percent of total Estimates of Recurrent and Development Expenditure in 2002.

Comparatively, total actual expenditure in 2003 reached D296.17 million of which 47 percent was sent in Education, Health and Social Welfare 40 percent, Agriculture 10 percent, and Natural Resources and Environment 3 percent respectively. In addition, HIPC resources spending received a higher share of D73.09 million as compared to D36.58 million in 2002. Comparatively, Education received 18 percent, Health and Social Welfare 61 percent, Agriculture 16 percent, Natural Resources and Environment 5 percent respectively.

The rate of total resource utilisation can be depicted in table 2.1B. It can be clearly seen that Education spent 73 percent of the its resources, Health and Social Welfare 94 percent, Agriculture 66 percent, Natural Resources and Environment 68 percent respectively.

CHAPTER 3

IMPROVING THE PRODUCTIVE CAPACITY AND SOCIAL PROTECTION OF THE POOR

3.1. Agriculture and Natural Resources

The main levers of growth are agriculture, tourism and services, which also form the core areas for enhancing income levels of the poor. Provisional figures from the 2003 census indicate that there is a high concentration of the population in the urban and peri-urban area where land for agricultural production is scarce. Thus the need to strengthen and modernize agriculture to encourage people to go back to the land as well as increase the viability of the Small and Micro enterprise sector particularly for the urban and peri-urban dwellers. In addition there is need to consider social protection mechanisms to support the destitute and vulnerable members of society.

Regardless of its dominary role in the economy, agriculture's contributions to exports and the GDP are still low. This is due to the cumulative effects of adverse climatic conditions, declining terms of trade for international primary commodity prices, low public and private investment in the sector, resource poor institutional support services to the sector particularly research and extension, limited credit access and facilities; inadequate water supply and availability of other essential inputs (seeds, fertilizers and agro-chemicals); inadequate infrastructure (transport, market, equipment, irrigation and processing facilities); inadequate access to farm mechanization, low production and productivity of crops and livestock, paucity of skilled manpower; unsatisfactory land tenure system making productive land inaccessible to potential additional users; the inherently low fertility/productivity of the land compounded by rapid development of acid sulphate soils, bushfires and salt water intrusion in swamps; over-dependency on rainfed agriculture, inadequate logistical support and, the lack of instituting and enforcing measures to militate against rapid population expansion.

3.1.1. Agricultural development strategies

Overall, the principal challenges for the sector remain to be reduction in endemic rural poverty and improvement in household food security through increased production and productivity. To militate against the numerous challenges, government remains resolutely committed to rigorously pursue those production promotion policies and programmes which continue to emphasize the provision of an enabling environment for poverty reduction and greater private sector participation, diversification of the production base, promotion of the agricultural producer organizations, increasing domestic savings and investment, attraction of foreign investment, optimal programmes/projects' outputs, increased use of irrigation and other water harvesting techniques, operationalization of an agricultural development bank/fund, increased use of appropriate agricultural technology/mechanization, regular annual vaccination of livestock and surveillance of transboundary diseases, ensuring regular and timely supply of agricultural inputs (certified seeds, fertilizers, agro-chemicals, vaccines and veterinary drugs) on a sustainable basis with active private sector participation, provision of appropriate processing and storage facilities and gender (mainly women) mainstreaming in the development process. This year, government also provided certified seeds to potential farmers throughout the country for seed multiplication which will eventually lead to the formation of a National Seed Bank.

The priority areas for the sector are Soil fertility maintenance, Water control and management, Research and extension, Rural finance/micro-finance, Appropriate mechanization/irrigation, Processing, storage and marketing, Agricultural produce marketing financing, Availability of livestock feed and drugs, Mobility/Transportation, Biotechnology (GMOs and LMOs), and Institutional strengthening.

3.1.2. Agricultural policy and progress in implementing PRSP policies

In order to realize significant poverty reduction and household food security, the government continues to be resolutely committed and determined to accord high priority to the agriculture sector. The agriculture and natural resource strategy presented in SPA II is currently being reviewed which process will culminate in the preparation of a cabinet paper for approval by cabinet. The current review process will address amongst other things, the need for private sector participation in agriculture as well as the challenges of the poverty situation among the farming community.

3.1.3. Promoting private provision of inputs

The department of Agricultural services is promoting active private sector participation in the agriculture through the establishment and operationalisation of producer associations and group farms through out the country. These are closely associated with the President's "back to the land" policy. Other key programmes and projects being implemented include The Lowland Agricultural Development project jointly funded by IFAD, ADB and the Government of the Gambia, The Rural Finance and Community Initiatives project funded by IFAD and the Government of the Gambia, the peri-urban smallholder improvement project funded by the ADB, The Pan African control of Epizootics project funded by the EU and the FAO initiated Special programme for food security co-funded with the Government of the Gambia.

Government has established a mechanization unit under the Department of Agricultural Services (DAS) to enhance and develop the sector's output through improvement of farm activity, scheduling operations and also providing 50 additional tractors with accessories farmers for the 2003/2004 farming season.

3.1.4. Impact of the drought on Crop production & support for the 2003 planting season

With regard to agricultural production, the year 2002/2003 witnessed an unprecedented difficult cropping season for most farmers in the country. Due to a prolonged dry spell experienced in most parts of the country, crop shortage and imminent food shortage became a reality. Consequently a national Emergency on Crop failure and Food Shortage was declared in November 2002. A National task force was thus setup to assess the situation and put in place appropriate measures to alleviate the plight of the citizenry particularly the rural communities; the most affected. In view of this grave situation, crop production drastically declined from 349,147 metric tons in 2001 to 208563 tons in 2002 representing a 40 percent decline in crop production as shown in the table below.

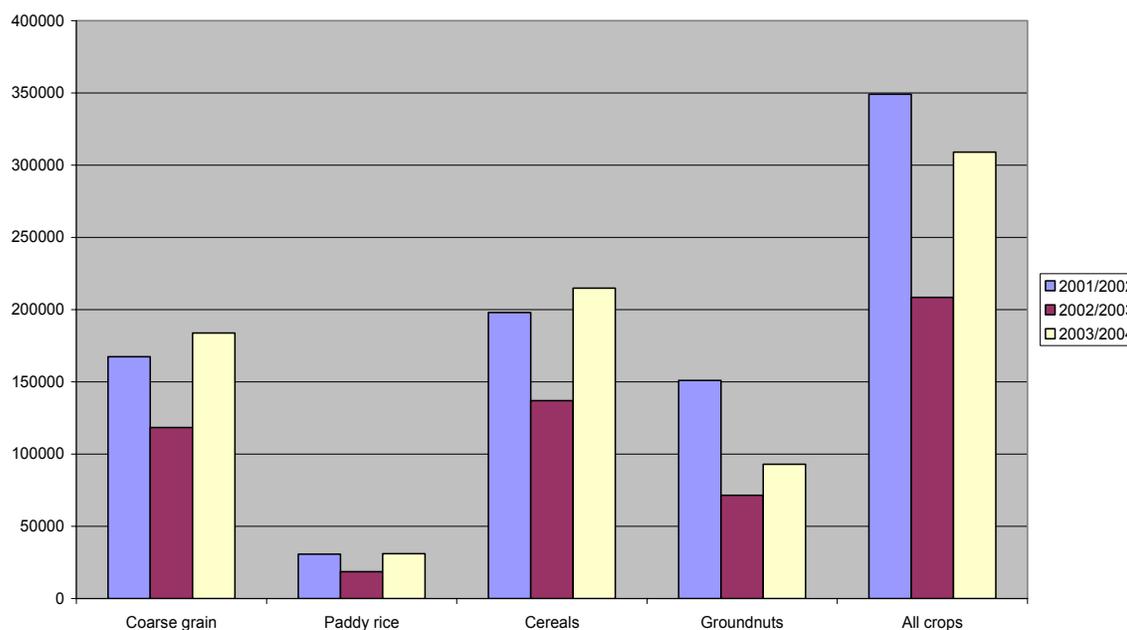
The problem was further aggravated by the fact that the quality of the produce also dropped due to poor crop development. In view of this, the government, in collaboration with its development partners endeavoured to assist in the provision and distribution of groundnut

seeds gratis to farmers to ensure a successful current season (2003/2004). Thus 2300 metric tons of groundnuts, 20 metric tons of maize, 7 metric tons of findi and 40 metric tons of a new rice variety, NERICA were distributed among farmers. In addition fertilizer was provided to the farming community on sale. This support provided coupled with the good rains for the 2002 – 2003 cropping season resulted to improvements in production and productivity levels of all the major crops. Details of changes in production for 2001 - 2002 and 2002 – 2003 cropping seasons are shown in the table below.

Table 3.1. Change in production from 2001 – 2002 and 2002 - 2003

<u>Crop</u>	<u>2001-2002</u> <u>% change</u>	<u>2002-2003</u> <u>% change</u>
Coarse grains	-29.3	79.5
Paddy Rice	-39.3	0.0
Cereals	-30.8	66.7
Groundnuts	-52.7	12.9
All crops	-40.3	47.5

Crop production 2001/2002 to 2003/2004



3.1.5. Development of irrigation schemes

The key to achieving the long desired goal of national food security for the Gambia lies in the lowland ecologies, which represent nearly one quarter of a million hectares of the most fertile and productive arable lands in the country. With the introduction of low cost technology which includes soil and water management techniques such as the construction of dykes to harvest rainwater and runoffs from uplands and for anti-salt intrusion, and the construction of bridges and causeways for easy access to tidal swamps, most of the fertile lowland ecologies can be quickly brought under production of rice and other high value crops and livestock. Enough lessons and experiences have been learnt from the Lowland Development Programme (LADEP) to make this a reality very quickly. Therefore, Government in collaboration with IFAD is in the process of preparing a Lowland Development Master Plan. The objective of the plan is to promote the sustainable development of the lowlands to

stimulate the economic growth of the country in general and benefit the people whose livelihoods depend on the existing natural resources in particular. This is to be done with adequate safeguards for the environment. The role of the Master Plan is also to promote and encourage local initiatives as well as to attract domestic and international investment into the development of lowland areas.

Several micro-irrigation schemes for horticultural development located particularly in the western half of the country are being operationalised to ensure all year round production of fruits and vegetables. The major beneficiaries of such schemes are women.

3.1.6. Agricultural Research

The National Agricultural research Institute (NARI) has been involved in adaptive research on an improved rice variety NERICA for adoption in the Gambia. NERICA was introduced last year and preliminary results indicate high potentials in the country. Other crops being researched on include improved groundnut, cassava and bean varieties. Trial and adoption is being done in collaboration with programmes and projects such as the RFCIP project as well as NGOs and other agencies.

NARI has made significant progress in its search for technologies aimed at alleviating some of the crop production constraints of Gambian farmers. Some of these key production constraints include low and declining soil productivity, high incidence of pest and diseases, insufficient supply of quality seeds and unavailability of high yielding varieties to our farmers. To address these challenges, NARI embarked on research to restore soil fertility through agro-forestry techniques, 47 samples were received, analyzed and the results made available to the clients, researched into developing suitable drought tolerant crop varieties and also promoted the production of NERICA. To reduce drudgery and at the same time add value to product, NARI has developed water lifting devices and food processing equipment such as pedal and chain pumps and a motorized cassava processor which processes cassava into gari and chips.

On the basis of the assessment of the sector, the way forward for achieving the long desired goal of national food security, employment creation and increased incomes in the shortest possible time would require the implementation of the following measures:

Immediate measures (1 – 2 yrs.)

- The immediate establishment of a private sector-led Integrated Marketing Institution with a mandate for the marketing, processing and sale of agricultural products and inputs
- The establishment of an Agricultural Financing Institution with majority private sector shareholding to ensure adequate financing of the sector
- The promotion of an indigenous seed industry, through the promotion of an association of seed growers, backed by an appropriate regulatory framework and technical support
- The development of a comprehensive agricultural policy and development strategy for The Gambia

- The review and implementation of the proposed restructuring of DOSA
- Preparation and implementation of a master plan, work plan and programme for the development of the lowland ecologies

Medium and long term measures (2 – 5 yrs.)

- The full and efficient utilization of the abundantly available fresh surface water of the River Gambia to consolidate and expand the work of the ROC Mission through the development of more lands under low-cost tidal irrigation systems for the cultivation of rice along the two banks of the River Gambia
- Consolidating and expanding the work of LADEP by identifying all of the potential areas for rice cultivation in the lowland ecologies and the construction of dikes for water harvesting and bridges for access to more fertile lands through community participation
- The intensification and expansion of the horticultural schemes through the provision of good quality seeds to farmers, the provision of solar-powered wells, and the training of farmers in integrated pest management to eliminate the use of toxic and hazardous chemicals
- The rapid expansion of the village small ruminant fattening schemes and the promotion of more dairy schemes to satisfy the high demand for dairy and meat products
- A feasibility study for the establishment and financing of a cassava starch industry
- Promoting upland rice production through the distribution of good quality seed of high-yielding, stress-tolerant NERICA varieties to enhance import substitution and food security
- Devising and implementing control strategies for floating weeds such as water hyacinth and water lettuce in order to ascertain the sustainable utilization of our inland surface water resources for increased production of both crops and fish

3.2. Natural Resource Management

The Gambia is faced with serious environmental problems. The capacity of traditional agricultural and pastoral production systems to provide food, shelter and clothing has been exceeded by the rapidly growing population. The natural resource base upon which production depends is being rapidly depleted, accelerated by the introduction of mechanization in the exploitation of natural resources and the extraction of forest and other resources, without replacement, for commercial gain. This situation has been exacerbated by successive years of drought during the last two decades.

The impoverishment of soil fertility through poor farming practices coupled with a long period of successive droughts has resulted in a decline in agricultural production. Poor management related to increasing extraction of fuelwood, intensive grazing, bushfires, timber cutting and expansion of agricultural land has resulted in widespread land degradation and depletion of the vegetation cover. Associated with the latter are loss of wildlife and reduction

in reserves of undisturbed climax vegetation and biodiversity. The fisheries resources are likely to be adversely affected by a decrease in spawning and feeding areas resulting from siltation and harvesting of mangroves. Groundwater recharge rates have been negatively affected by reduced rainfall with consequent heightening of the dangers of salt-water intrusion and over-extraction of groundwater.

Increased rural poverty associated with the decline of agricultural production as well as other factors has engendered rapid and uncontrolled urbanization. The rapid population buildup in the Greater Banjul Area has resulted in overcrowding and extension of sprawling suburbs into what were previously woodlands, arable and villages with consequent overstretching of social services and infrastructure. The environmental impact of all these processes is manifest in poor environmental sanitation, high rates of environmental pollution and degradation of the contiguous coastal zone. The rural areas, particularly the growth centres, are experiencing similar environmental health problems.

Issues of environmental concern are handled by a large number of public institutions in The Gambia including non-governmental organizations. The common problems of these public institutions are the scarcity of human, financial, and material resources and an inadequate legal framework to carry out their mandates. This situation is aggravated by a lack of effective coordination of efforts and poor information management. The result is that well-intentioned programmes for the protection of the environment and sustainable development of natural resources have failed to avert accelerated environmental degradation and natural resources depletion. A lack of adequate public awareness of environmental issues remains a major constraint to the success of these programmes.

3.3. Private Sector Development

3.3.1. Employment

The centrality of private development to poverty reduction has been accepted and adopted by government as enunciated in Vision 2020. The PRSP is seen as the first operational block of Vision 2020 and concentrates on only employment opportunities that will enhance poor's productive capacities. Employment is both a source of income and social and economic empowerment. There is a strong positive correlation between unemployment, and poverty. The generation of increased and sustained employment has been a major objective of government and many direct and indirect initiatives have recently been undertaken to achieve employment promotion. As a first step in the fight against unemployment, under-employment and poverty, the government formulated the national employment policy, which is now translated into the National Employment Action Plan 2000 – 2003. the plan is yet to be implemented as funding is not available and thus the need to shift the time span for implementation.

The objective of the employment policy is to increase the viability of this sector as well as support the various components within it. The areas covered are:

- Income policy and social security as instruments for sustainable employment
- Employment and human resource development as a poverty reducing strategy
- Labour intensive and public works programme in national employment promotion
- Labour administration systems in the Gambia-an assessment for national employment design and implementation

- Population dimensions of employment with specific reference to youths and women employment
- Technical and vocational education for mass employment
- Institutional arrangements for implementation of a national employment policy

3.3.2. Medium and Small Enterprises

The Department of State for Trade Industry and Employment (DOSTIE) has formulated a Small and Medium Enterprises (SME) policy with the objective of improving the enabling environment for enterprise growth and performance of the sector. Small and micro enterprises are the main source of livelihoods for poor people and therefore deserve attention for the successful implementation of SPA II particularly with the erratic rainfall pattern of recent years as a result of which farmers had to divert their sources of livelihoods. SME and informal sector are part of DOSTIE's comprehensive and holistic strategy of private sector development which includes trade, invest and employment promotion.

3.3.3. Tourism

Tourism is one of the levers of growth and contributes about 16 percent of GDP. It is an important sector for poverty reduction opportunities such as market outlets to small scale operators; fruit sellers, handicraft etc. as well as employment generation in hotels bars and restaurants. Tourist arrivals fell short of the anticipated figures for the 2002/2003-tourist season, which had some impact on the anticipated returns and related economic activities such as employment creation in hotels and small-scale businesses. However a tourism master plan is being developed and a vision for the next 20 years also already been done. Sub-components of the strategic plan e.g. eco-tourism have also been developed and implementation started with the 2003 tourist season which began in October.

3.4. Social Welfare and Protection

3.4.1. Social Welfare

The Department of Social Welfare continues to provide a welfare programme to support vulnerable and destitute groups within society. With HIPC funding, the department supported income-generating activities such as sale of phone cards for disabled members of society as an alternative to street begging. Other social welfare programmes being implemented now include emergency relief for victims of natural disasters such as fire and flood, food for work and the construction and operationalisation of a home for the elderly and destitute in 2003.

In order to realised significant poverty reduction within vulnerable groups and families the department provides rehabilitation services and supply mobility aid to the disabled members of society. Also 3 Disabled organisations were supported with D100,000 Dalasis each to set up small scale business for the benefit of over to of its members. This has helped to boost the activities of it's the disabled persons and provided additional skills for the female wings of the organization, which resulted in significant increases in income.

Educational scholarships have been expanded to priority areas of orphans and vulnerable children and skills training for unskilled youths are also in progress. These activities are

geared towards empowering disabled youths and children to engage in activities that could free them from the poverty cycle.

3.4.2. Foster care scheme

This scheme has a strong element of public/private/community partnership that is making it possible for children abandoned or in orphanage to be placed back to the care of foster mothers, mostly from within the family, after about eight weeks of protective care at the SOS Bakoteh Village. The scheme is serving as a responsive alternative to the costlier option of establishing formal institutionalised child pavement centre. It also encourages the public (non-relatives) to serve as foster mothers, and in this way, affords children in special circumstances of orphanage or abandonment the opportunity to grow and develop normal lives in stable and child-friendly environment. These mothers are given focused assistance under the social support programmes of government through DSW.

A study on orphans and other vulnerable children is under way the main thrust of this study is to determine the limited opportunities that will restrict individual development as this has repercussion for their community and country.

Orphans may be particularly vulnerable, but there are also other groups of children who may be disadvantaged that could suffer in similar way. These include disabled children, those living in a household headed by an elderly person or a child, those not living with their biological parents, and those living in households where adults are sick or may die. Children growing up in vulnerable circumstance may be affected by poor nutrition, in adequate access to education, lack of emotional support, and exploitation or abuse.

3.4.3. Social Fund for Poverty Reduction.

A study was commissioned to develop an operational strategy for a unified funding mechanism for community driven projects and programmes. The study also developed a protocol for the re-alignment of multi donor interventions with the programme areas identified in the PRSP as well as develop a plan of action for operationalising the strategy. The purpose is to improve efficiency and ensure greater impact at community level as well as save on operational and transaction cost of implementation of projects. The fund has five components namely; community development, employment creation, micro-finance, public works and human resource development. A draft of a cabinet to chart the way forward paper has been prepared. Also the pre-project work for a Community Driven Development (CDD) programme for the Gambia is about to start.

This is expected to become the Gambia's main focus for support to community development programmes. Funding for establishing an appropriate trust fund mechanism, and setting up funds for the various activities to be included in the SDF is estimated to come to US\$ 4.4 million over the period 2003-2005. Technical cooperation to strengthen capacity to undertake this is estimated US\$ 0.5 million. Studies on modalities for the operation of a unified funding mechanism have been completed and plans are underway to operationalise it in line with upcoming projects such as the CDD programme.

CHAPTER 4

IMPROVING THE COVERAGE OF BASIC SOCIAL SERVICES

4.1. Education.

The Department of State for Education (DoSE) inter alia is committed to contributing its quota towards improving the coverage of the basic social services in line with the requirements of The Gambia's Poverty Reduction Strategy Paper (PRSP). The main thrust of the New Education Policy (2004 – 2015) is to provide quality basic education for all. To determine the performance of DoSE, 5 key areas have been singled out and used to measure the achievements of the overall programme vis-à-vis targets set. They include:

- Access to basic education
- Quality of teaching and learning
- Teaching and learning materials
- Non-formal education
- Skills training/appropriate technology

Given that these areas have been identified as key to the Department's contribution to poverty reduction attempts have been made by government to focus the allocation of government budget and other sources of funding to these sectors. Investing in education is widely believed to have an impact in poverty reduction, hence the five key areas that have a high premium for reducing poverty are receiving due attention by government.

4.1.1. Access to Basic Education

Considering the fact that education is a 'merit good' that should be accessed by all our classrooms construction and rehabilitation programmes are being intensified targeting the poor, the 'unreached' and pockets of resistant communities in the country. Every effort is also being made to utilise the existing physical and human resources more effectively and efficiently as well as making the relevant linkages with the Madrassa and the non-formal sectors.

The annual education data collection exercise for these 2 levels is now being institutionalise impacting on the gross enrolment ratio for the lower basic cycle which has now reached 91% with the madrassa contributing 10%. Following on the synchronisation of the curriculum, more and more English teachers are being posted to help the products of such schools fit better within the society. The status of some basic indicators in the education sector is shown in the table 4.1 below.

Table 4.1 Basic education in indicators

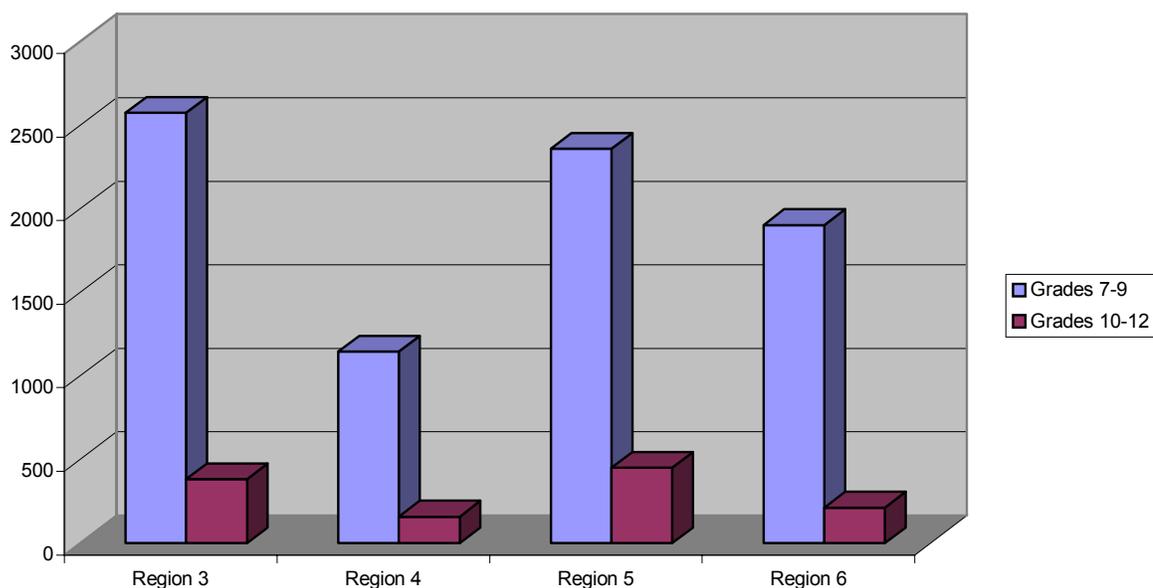
Indicator	Status (%)	
	2001/2002	2002/2003
Lower Basic education		
GER excluding Madrassa	74	75
GER including Madrassa	85	90
% of female enrolment including Madrassa	48	49
% of female enrolment excluding Madrassa	46	44
Upper Basic education		

Indicator	Status (%)	
GER excluding Madrassa	43	68
GER including Madrassa	66	72
% of female enrolment including Madrassa	42	44
% of female enrolment excluding Madrassa	28	42

Some new basic cycles and senior secondary schools are being built furnished and equipped to enhance the coverage of education at these 2 levels. In addition also some junior and senior staff quarters are built to take care of the dire accommodation needs for teachers posted to deprived areas. As at September 2003 every child in grade 6 at the lower basic was guaranteed a place in grade 7, confirming the fulfillment of 9-years of un-interrupted basic education throughout the country

To provide the foundation for entry into the basic cycle an ECD policy has been developed, which adopts a holistic integrated approach to child development – Nutrition, Health and Education in a minimum package. A curriculum for the minimum package will be developed, and in poor communities centres will be attached to the existing lower basic cycles for support to ensure a smooth transition to grade one. The operational guidelines for ECD have been reviewed, a database established, and the ECD training programme enhanced.

Coverage of Scholarship Trust Fund for girls



Note:

Information for the other two regions (regions 1 and 2), covered by the President’s Empowerment of Girls Project, were not available for the planning unit of DOSE.

In the formal school system the number of double shift classes and multi-grade teaching has been expanded and increased to address the issue of equity between boys and girls and a number of interventions are being pursued to eliminate the disparity. Providing basic quality education for girls is a priority of the education policy. Education is made free for all girls in

deprived areas through a number of schemes funded by the World Bank UNICEF, the President's Girls Empowerment Programme, and a number of other international sponsors. A safe and supportive learning environment is being provided for girls in addition to supporting parents to allow their children to go to school. Details are shown below.

4.1.2 Quality of Teaching and Learning

Although quality remains an elusive concept, which is difficult to define but it is easy to identify when one sees it a multi-pronged approach is being used to tackle the quality issues in the education system. By quality we mean a system that develops, flexibility imagination, adaptability, confidence, concentration, motivation, open mindedness, lateral thinking, skills, knowledge and attitudes appropriate for what Gambia is striving to be. It enables the individual to apply what he has learned to different situations, be able to improve his own circumstances through personal effort and be able and motivated to continue learning

The number of textbook per pupil is being increased from 2: 1 to 1:1 by the end of the policy period and textbooks are provided free for girls at the upper and senior secondary level. Inspection and continuous in-service of teachers are currently being intensified as a means of motivating them to deliver their service better. This year's budget has also made provision for the application of Learning Achievement Targets (LATs). At the Upper Basic Level it is expected that children will continue to write GAMBECE exam.

The outcome of these 2 different activities will provide us with the latest benchmark on quality. In the last LAT test 90% of the learners did not achieve the mastery of 70% in the subjects tested. The increase in the resource allocations, the numerous, and varied interventions that have taken place in the sector could lead to some modest improvements in the quality of teaching and learning.

The provisions in the government budget plus support from other donors have made improvement in these areas possible. The management status of schools at the regional level has been upgraded to directorship level to enhance supervision, M & E, and decision making at that level.

Higher Teachers Certificate Teachers are being offered further training to degree level and the first batch of students that graduated this year have been re-deployed to Basic cycle schools, and management positions within the Department of State for Education, to enhance the quality of teaching and learning in the system.

The Department's regular Senior Management Meeting (SMT) and Co-ordination Committee Meeting (CCM) are held in different parts of the country to provide those at the centre including the Secretary of State for Education, the Permanent Secretary, Directors and other relevant heads of institutions to experience the realities on the ground. By so doing their capacities to make informed decisions would be enhanced

4.1.3 Teaching and Learning Materials

In a bid to address the issue of quality and relevance of the teaching and learning materials the curriculum at the level of the basic education has been revised with emphasis on the

strengthening of school-based assessment system and making it more relevant to the learning needs of the children.

In the Quality and Relevance component, expenditure in this activity has made it possible to review the curriculum for grades 1-4, and has also evaluated the options for introducing instruction in the national languages for grades 1-2. Furthermore, the syllabus and textbooks for all subjects has been revised, free textbooks recycling scheme introduced for grades 1-6, and a continuous assessment manual for teachers has been developed.

4.1.4 Non-Formal Education

In the area of Adult and Non-Formal education the programmes developed target the 15+ and out-of-school youth, and they vary partially according to the target groups, age, sex, occupation and other needs. More and more adult are now acquiring functional skills that are useful in family life (HIV/AIDS, malaria, and tuberculosis, prevention, household budget, health, childcare, nutrition and occupational skills)

4.1.5 Skills Training/Appropriate Technology

Under the skills training and appropriate technology the government in December 2002 through the National Assembly established the National Training Authority, which is private led and autonomous to serve as an observatory for co-ordination of all training institutions and regulate skills training and Appropriate technology in the country. The priority areas for the National Training Authority are:

- The training and re-training of technical teachers/instructors in the different trade areas i.e. Electric/Electronic, Building construction, Carpentry, and joinery, Welding and Fabrication etc.
- Building the apprenticeship programme to a very high level to meet up the labour requirements of the country
- Encourage the establishment of more training institutions.
- Encourage the exchange of instructors in skills training from the different levels of training in the country

All these activities are geared towards empowering the youths of the country to engage in activities that could free them from the poverty cycle. The government /private sector partnership will make these programmes more viable and sustainable.

Apart from identifying key priority areas to address these shortcomings, attempts have been made within these priority areas to focus government expenditures on certain activities that have a high potential of reducing poverty. For example, utilising existing physical and human resources more efficiently and establishing linkages between Madrassas (Islamic Schools) and formal basic education are specific activities aimed at increasing access to basic education. An analysis of expenditures on this programme area shows how much government has spent on poverty reducing activities under this particular programme component.

4.1.6. Education Outputs/outcomes

Under Basic Education, the expenditure in poverty for 2001 has resulted in the following outcome/output.

- Increased number of double shift classes;
- The expansion of multi-grade teaching;
- Increase in teacher to student ratio;
- Increase in the assignment of English teachers to Madrassas (Islamic schools);
- Commenced Education data collection for Madrassa Institutions;
- Increase in the number of needy and meritorious students assisted;
- Constructed and rehabilitated classrooms and staff quarters, and purchased furniture.
- Increased the Gross enrolment rate and number of unqualified teachers.

Girls' education is one of the main priorities of education policy. One of the objectives is to increase the overall enrolled in the Institution, and the poverty reducing expenditure in this component has resulted to the following outputs:

- Girls enrolment rate has been increased;
- Scholarship has been expanded to priority regions;
- A safe and supportive learning environment for girls provided e.g. by constructing separate toilets where the facility was lacking;

Secondary Education is another vital component in education. Under the budget provision, spending in this activity has resulted in the following output, double Shift classes were increased; new secondary schools constructed, furnished, and equipped; higher Teacher Certificate teachers were trained and upgraded to degree level, while Secondary school graduates are trained to degree level as well.

4.2. Health

4.2.1. Access to basic health care

The overall Government objective in investing in health is to improve the quality of life of the population for greater productivity. Whilst investing in health as an entity is considered in the PRSP/SPA II as a priority for poverty reduction, however some health activities are considered the real priorities for poverty reduction. Making quality basic health care package accessible to the citizenry and available to the rest of the population is considered the primary health intervention for poverty reduction. The key elements of this package are:

- Access to reproductive health care for the women population.
- Access to an integrated management of Childhood illness (IMCI) for the 0-5 years.
- Access to a comprehensive adolescent health package including HIV/AIDS prevention and control, prevention and control of other sexually transmitted infections and counseling on reproductive health.
- Disease prevention and control, this includes the prevention and control of both communicable and non-communicable diseases.
- Access to other essential clinical care.

The Department of State for Health and Social Welfare has been pursuing this objective through the following major strategies:

- Rehabilitation and upgrading of the existing dispensaries and sub dispensaries to standards minor health centers.
- Construction of additional minor health centers in the rural community

- Re-organise and strengthen the referral system including the development of a sustainable ambulance policy.
- Accelerated development of health human resources within the overall national human resources development objective.
- Developing and pursuing policies that would facilitate greater private sector provision of essential clinical care for the Greater Banjul population.
- Re-organise and strengthen preventive health services.
- Develop a workable and effective regulatory framework.
- Develop an effective and sustainable health management information system.

The ultimate outcomes for the investment are reduction in overall morbidity and mortality in the population; including infant child and maternal mortality, and improvement in the population average life expectancy. However, whilst the above indicators could be considered that best impact measures for the annual investment in health, it is often not practicable to measure these indicators on an annual basis. A number of useful intermediate outcomes measured on an annual basis and these include:

- Increase in geographic access to the essential care package, Minor health care ratio (target 15,000 population) and distance to travel to health centre (target 5 km).
- Percentage increase in the utilization of the health centre.
- The quality of the health care package provided.
- Level of financial risk protection for the poor in accessing health care.
- Percentage decrease in population morbidity, including:
- Percentage decrease in malaria prevalence.
- Percentage decrease in HIV/AIDS and other STIs prevalence
- Percentage decrease in new cases of tuberculosis.

Table 4.4. Coverage of health facilities

Division	Basic health facility Coverage (%)		Village Health Service Coverage (%)
	2001	2002	
Upper River Division	36	43	67.2
Central River Division	57	57	78.0
Lower River Division	60	60	140.6
North Bank East	42	70	91.2
North Bank West	31	47	135.8
Western Division	31	37	40.8
Kanifing Municipality	9	9	-
Banjul City Area	89	89	-

NB: Based on 2003 provisional census data, Quality of health care is measured by This is measured by the availability of required staff (against the staffing norms), skilled attendance to birth, availability of the required equipment and consumables; drugs, and vaccines, the state of the health facility infrastructure, availability of referral services.

4.2.2. Quality of Basic Health Care

The increase in facilities in the North Bank Division was due to the upgrading of the Farafenni Major Health Centre to a hospital and the construction of a new health facility at Illiasa. This increase was intentional given the poor condition of the road in this part of the country. Effect is improved access to health care through reduced cost of travel and reduction

in time taken to travel to health facilities. Also, the health facility has strengthened clinical services in that area; the biggest refugee camp has just been recently moved to this area.

The village health services is undergoing countrywide re-organization and linking it to the Bamako Initiative (BI). Also a health financing policy to support financing of health care particularly for the poor is being developed as well as a financial sustainability plan for vaccines. In terms of human resource development, implementation of the plan to double the annual intake of nurse trainees has just started. To deal with the high attrition rate and brain drain, the Department of State for Health is in the process of negotiating some form of incentives for those skilled personnel in the rural areas. Also there is a strategy in place to increase the output of nurses from health training institutions. The status of some basic health indicators is shown below.

Table 4.5: Basic indicators in health

Indicator	2000	2001	2002	2003
Infant Mortality (IMR) (per 1000 live births)	92	84	-	-
Under Five Mortality (per 1000 live births)	147	135	-	-
Maternal Mortality (per 100,000 live births)	1050	730	-	-
Immunization coverage (0-11) months	68.6%	61.8%	72.8%	-
DPT 3	74.4%	86.5%	93.2%	-

The availability of information to update health indicators is a major problem. The Department of state for Health is making efforts to improve the situation but meanwhile, most of the mortality and fertility will be updated once the detailed analysis of the 2003 census is completed. In addition the department plans to conduct a Demographic and Health Survey (DHS) in 2004.

The decline in IMR and U5MR can be attributed to the government's efforts to expand the health services to the entire population and especially to the very high coverage of the EPI programme. Fully immunized infant coverage was 83.7% in 1997 but decline in funding to the programme contributed to the drop in coverage. There are still pockets of low coverage in some areas of the country. To increase coverage and quality of immunization, there is need for a sustainable financing plan and this includes continuous training of health workers, and education of the communities especially mothers.

4.3. Infrastructure

The country's ability to unleash its economic potential is closely linked to the efficiency of its infrastructure support to the economic and social activities of the population. Thus infrastructure programs are necessary to support economic enterprise and empower people to undertake income-generating activities that will reduce their vulnerability to poverty and want. Infrastructure services and private sector development are closely linked to poverty reduction in the context of the Gambian economy. Infrastructure development can be a major source of employment, besides providing for improved service delivery. Furthermore, inequality of access is more pronounced on access to necessary infrastructure such as roads, public transport, piped water supply and ancillary services for storage of produce. A second

important feature of the improved infrastructure is that it reduces disparities between rural and urban communities. Lack of adequate infrastructure in rural areas is one of the key impediments to engagement in viable economic activity. The level of the stock of infrastructure within a community can also determine its ability to resist shocks.

4.3.1. Roads infrastructure expansion and upgrading

The development of the country's road infrastructure involves not only the construction and maintenance of highways, feeder and municipal roads, but also the provision of transport services as a complementary factor. The provision of such infrastructure facilitates increases access to basic social services and also resolves problems of rural accessibility.

4.3.2. Road Infrastructure

The road infrastructure has been greatly improved during the last two years especially in the urban areas where major roads have been upgraded with the addition of street lights. In addition there was rehabilitation of a number of access roads in the Kanifing Municipality was undertaken in the recent past and the rehabilitation of another nine roads in the Municipality is already underway. Road infrastructural developments during the period include the following:

- 120 Km faraffeni- Laminkoto stretch
- 58 km Kerewan – Farafenni Road
- Serre- Kunda – Mandina ba Road
- 141 km Mandina- ba- Soma Road

4.3.3. Public Transport

In May, 2003, buses donated to The Gambia were deployed by the Gambia Public Transport Corporation (GPTC) in its urban service and refurbished buses deployed in the rural areas to facilitate wider coverage. The Corporation acquired more buses has since deployed these buses in the school transport and urban services, thus making more buses available. The increase in the fleet size coupled with progress in the road maintenance/ rehabilitation has led to an expansion of rural services. It is envisaged that as progress is realised in road rehabilitation works, new rural services will be established along both banks of the river.

4.3.4. River Transport /Ferries

Starting February, 2002 the Gambia Ports Authority(GPA), was mandated to operate the ferry services. The authority entered into a contract for the construction of three ferry crafts which would add to the exusting fleet. Work on these ferries is still in progress.

4.4. Telecommunication

i) Increasing Access to Basic Telephone Services

Cognizant of the fact that the availability of an efficient and affordable telecommunication service is an ingredient for promoting socioeconomic and political development of any nation, and that such service must be universally accessible and cost-effective, The Gambia Telecommunication Company Ltd (GAMTEL) has continued to expand the

telecommunication infrastructure to the under-served areas, notably the rural areas. GAMTEL has continued to extend the fibre-optic cable and expand its functionality around the country.

The continuing connection of villages, establishment of public telephone booths and the proliferation of private tele-centres around the country have expanded access to telephone services. Fixed line telephone penetration rate (tele-density) in the country, that is the number of telephone lines per 100 inhabitants, is 3.1% (2003) compared to 2.9% in 2002 and 2.7% in 2001. With GSM combined, the tele-density rises to 11.8% for 2003, 9.4% for 2002 and 5.55% for 2001.

The current AIRSPAN Project for the north bank of the country and areas around Basse, (both North and South Banks of URD) using wireless technology (WLL) will connect 600 villages across the region. Already, 24 villages have been connected. Other network expansion projects by both fixed line and GSM operators scheduled to start this year will extend not only access to telephone services, but also the range of services available on the network.

ii) Access to Information and the new technologies

Access to information using the new technologies like the Internet continues to increase with the expansion of the Internet backbone bandwidth. the GAMTEL service centers and the private tele-centres in rural towns and villages offer access to multi-media functionalities including access to information on the Internet.

In collaboration with the Department of state for Education (DOSE) access to the Internet and other information and communication technologies (ICTs) by secondary school students has increased the establishment of computer laboratories in the secondary schools.

The dissemination of development information and other good practices via The Gambia Radio and Television Services (GRTS) especially television programming, has suffered a set back in 2003 due to obsolete transmission and studio equipment. As a result, large swathes of the rural areas do not receive television signals. An emergency rescue package is expected to restore signals to these areas and strengthen those to the urban and peri-urban areas in early 2004. This notwithstanding, more sustainable and long-lasting solutions need to be put in place to enable the national broadcaster to continue its functions of informing, educating and entertaining the citizenry.

4.5. Energy

An adequate, reliable, affordable and efficient supply of energy is essential to support the country's continued socio-economic growth and development. With the rapidly expanding population, a substantial increase in the energy supply is urgently needed to meet current demand and forestall major shortages in the future by the adoption of least-cost strategies.

An in-depth assessment of the Gambia's energy sector shows that the energy resource base of the country is limited and the energy supply unreliable and unsustainable. The electric power supply has, over the past years, been grossly inadequate, inefficient, erratic and extremely unreliable, negatively impacting on investment and productivity. The existing installed

capacity at the main power station – Kotu, is about 27 MW while the projected demand is about 80 MW. This has resulted in acute power shortage leading to frequent blackouts.

In the domestic energy sector, the over-reliance of the city and major urban centres on fuel wood and charcoal is destroying the country's forest resources and natural vegetation cover at an alarming rate, causing general environmental degradation and lower productivity.

All the petroleum fuels consumed in the country are imported, resulting in heavy dependence on the limited foreign exchange and associated problems in the balance of payment.

Overall, the energy situation has not improved since 2002 but instead the energy problems have worsened making energy a priority for any meaningful socio-economic advancement in the country. According to the Energy Balance 2002, 83.42% of energy consumed comes from fuel wood, 13.86% comes from petroleum products, electricity accounts for only 2.34% and LPG and renewable energy account for less than 1%. The decline in electricity services coupled with increased fuel wood consumption over the last two years has resulted in low economic activity, less employment opportunities and hence increased poverty especially in the rural areas.

The long-term aim of the Government of The Gambia for the Energy Sector, as enshrined in Vision 2020, is to maximise the efficient development and utilisation of scarce energy resources, and renewable energy resources in particular, to support economic development in an environment-friendly way, employment creation and poverty reduction.

Programs and projects identified that could greatly impact on the economy and alleviate poverty are:

- Increased electricity generation in both the rural and urban areas;
- Promotion of ethanol stoves and other improved cooking stoves and fuels for domestic cooking;
- Promote solar PV and thermal applications in lighting, water heating, water pumping, health centre facilities and telecommunication especially in the rural areas;
- Promote alternative bio-fuels production (bio-diesel and ethanol) for reducing the country's heavy dependence on imported fuels and for creating employment and increased rural cash incomes for poverty alleviation; and
- Promote other alternative technologies such as wind, multifunctional platforms especially in the rural areas for socio-economic development through job creation and increased cash incomes.

CHAPTER 5

BUILD CAPACITY OF LOCAL COMMUNITIES AND CIVIL SOCIETY ORGANISATIONS TO PLAY A GREATER ROLE IN POVERTY REDUCTION

5.1. Decentralisation and Reform of Local Governments

The Gambia has now established a common arrangement for the viability of decentralization. Chapter XV, Section 193/194 of the (1997) constitution of the Republic provides for local government spheres, running along side the central government sphere in the state. It prescribes organic roles and functions for local government authorities in accordance with the rule of law and it provides directives for the identification, devolution and implementation of competences from central to local government territories. The local government Act 2002 and the local government Finance and Audit Act 2004 were formulated in line with both the constitution and VISION 2020, and the two have established a new local government system based on decentralization, with prescribed functions and authorities for local government authorities. They have provided the legal framework for the regulation and implementation of the new system, and both documents were formulated based on wide consultations with all sections of Gambian Society.

5.1.1. Local Government System

Under the new system, the role of Area Councils has become important, complex and diversified. They are now full stakeholders in social and economic development and are expected to full-fill the government mission of continuity, presence and proximity in the implementation of national policies and the delivery of public services in their areas of administrative control. Through decentralization the local government authorities are now expected to consolidate the spatial and institutional environments for the performance of economic operators, guarantee equal access to social services and ensure the consistency of urban development, social action, fight against poverty and social exclusion. The *integration of the local potential* into the new national strategies of development is the basis of local government policy and it is recognized in particular that, local government authorities need to be able to meet fully the demands relating to *service delivery, local development, democracy and participation*.

5.1.2. Current Challenges

Much progress has been achieved in the provision of the enabling legislative and institutional reforms for decentralisation, but some of the legislative policies and institutional arrangements prescribed in LG Act 2002 and the Local Government Finance and Audit Act 2004 however still remain to be fully established and operational. In the context of the provisions on Planning and Development, for example, the process has started in setting up planning units in the councils, with responsibility for preparing council development plans and providing other related planning services. The creation of these units is no mean task, requiring extra human and financial resources as a matter of urgency. At the lower levels, Multi-disciplinary Facilitation Teams (MDFTs) were proposed an out reach strategy for mobilizing and guiding extension resources in the Wards and Villages. They have been given an important role in the training of the VDCs and WDCs in the participatory planning and development process. The draft MDFT policy has proposed a horizontal approach to extension and out reach that would see all extension agents (not only DCD) adopting this

methodology. For this approach to be coherent and effective each line ministry will have to decentralize and their agents come under local management. In line with this, the MDFT policy needs to be revisited and made consistent with the human and financial resources base of LGAs. Prior to moving ahead with the approach, there is a need to reconsider its const effectiveness and efficiency.

The prescribed transfer of financial responsibility and resources to councils implies the assumption of ownership by councils of existing Local Government Assets in their jurisdictions. The Acts also provide for larger institutional capacities at the level of local government authorities including total oversight of the organisations, management, and development of human resources. According to the Act, a local government service commission shall be established at each council with responsibility for overseeing appointments, promotions, development and discipline of council staff. This is to be based on a local government service scheme. The service commissions and scheme need to be set up and functional.

5.2. Support for LGA capacity building

A World Bank supported project focused on the sustainable provision of adequate public infrastructure and services; and the development of a lasting, enabling environment for municipal investment financing and for employment creation and income generation helped build capacity of councils for the new dispensation. However this project covered only the urban and growth centers and addressed the issues of poverty and capacity building in these areas. In addition, studies, such as urban mapping and property identification and revaluation meant to enhance the financial base of councils were undertaken.

However certain aspects of the capacity building for Local Government Authorities was not undertaken because of policy and legal constraints, the late enactment of legal instruments (i.e. Local Government Act 2002 and Finance and Audit Act 2004). The delay was due to the fact that the Local Government Act 2002, which legitimizes the operations of councils, was three years late and, the Finance and Audit Act which provided the legal framework for the efficient management of financial and other resources of councils are yet to be enacted.

Amongst the lessons learnt was that the strategy was limited and needs to move away from poverty alleviation to poverty reduction because creating temporary jobs only alleviates the poverty situations temporarily. However the project made some impact on reducing poverty because of the high number of contractors, consultants, maisoners, labourers and clerks of works employed in the execution of the various subprojects. Also the infrastructures provided conducive environment for retail businessmen and women, market vendors and transport owners. The provision of water and electricity supplies to the various communities provided means for petty businesses for the women folks (i.e. ice making, etc) The construction of proper drainage systems assisted in the creation of a healthy environment for these communities.

Constraints encountered during the period include the following:

- Legislative instruments that guide the legal operations of councils were late in being enacted and as a result, caused delays in implementation of capacity building activities for LGAs

- The management crisis at GAMWORKS which lasted for about two years adversely affected the implementation of sub-projects especially the civil works component

5.3. NGOs in Poverty Reduction

A government agency, The NGO Affairs, agency is responsible for the registration, coordination and monitoring and evaluation of NGOs activities and is charged with the mandate to provide a sound and enabling environment for the smooth running of the operation of NGOs in their efforts to alleviate poverty at the grassroots as enshrined in SPAII.

The operational mechanism of the agency is highlighted in decree 81 which is now under review to be promulgated as an act by the national Assembly in order to enable it to be fully operational with legal backing in her bid to alleviate poverty.

With the Act in place, the facilitation of the operation of NGOs in their drive to reduce poverty could be more efficiently and effectively done. During the period the NGO Affairs agency was relentlessly supporting NGOs as enshrined in the protocol of Accord through line departments such as the Department of State for Finance and Economic Affairs, immigration department and the office of the Vice President.

The association of NGOs (TANGO) has a membership of sixty-two national and international NGO's. These NGO's work with communities in different sectors, mainly in rural areas of the GAMBIA in the areas of right based approaches, civil education and health, women's empowerment, and credit, as well as small enterprise development projects. TANGO and its members work in Agriculture towards the reduction of poverty and the improvement of the standards of living of the poor and marginalized members of Gambian society. Over the last eighteen months TANGO members were involved in a number of poverty reduction activities in the Gambia.

5.4. Capacity building

TANGO continued to conduct capacity building programmes for its members during the period under review. The Secretariat and Fight against Social and Economic Exclusion (FASE) signed a contract for a one year period targeting its members.

The capacity building focused on the following key areas:

- Participatory Planning.
- Programme design and Implementations
- Monitoring and Evaluations.
- Economic and social analysis.
- Organizational Development and Management.
- Research
- Advocacy and Lobbying

A total of 186 participants from 60 organizations participated in the training programme.

5.5. Education

Some member organizations are involved in functional literacy/numeracy and skills development training programs with the ultimate aim of enabling beneficiaries to make informed choices on issues affecting their lives and also helped them to participate in

Business management training programs that will improve business management skills for those involved in income generating activities.

Other members have volunteer placements with the Department of State for Education as senior policy advisors, teacher trainers, skill center worker, school manager and classroom based teachers. The emphasis was on building human resources capacity and continue to offer services in the following sectors:

In the girls Education Unit, the school policy which includes components on sexual harassment and corporal punishment has reached draft stage, and is getting closing to formal adoption.

Technical and vocational education has been well assisted via a productive relationship with GTTI leading to improvements in financial and personnel management.

5.6. Agriculture

Some NGO's continue working with Gambian Organizations in the Gambia in the areas such as food security and rural community development, Partner Development and capacity building and Emergency preparedness & response.

5.7. Smallholder irrigation for livelihood enhancement (SMILE)

The goal of this initiative is to improve the livelihoods and food security of the rural poor in the Gambia through increasing the productivity of smallholder farmers, especially women Partner organizations implementing this programme.

5.8. Outputs

Enhanced capacity to provide appropriate and relevant training extension to farmers. (By strengthening the Njawara Agricultural Training Center and Methodist Mission Agricultural Programme).

- Improved gender equality, women's participation in decision-making, division of labor between men and women, access to and control over land and resources.
- Increased Agricultural production.
- Improved management, protection and rehabilitation of natural resources and the environment.
- Improved post harvest storage and use of produce.
- Improved Gender co-operation.

5.9. Health: Stepping Stones

The is helping to reduce the incidence of HIV infection in rural Gambia by empowering communities to adopt safer sexual behavior, and mainstreaming HIV into all development activities. Because infertility is an issue of prime concern among Gambian communities, it is used as a stepping –stone to discuss sexually transmitted infections, including HIV/AIDS. This is done using voluntary peer educators.

CHAPTER 6

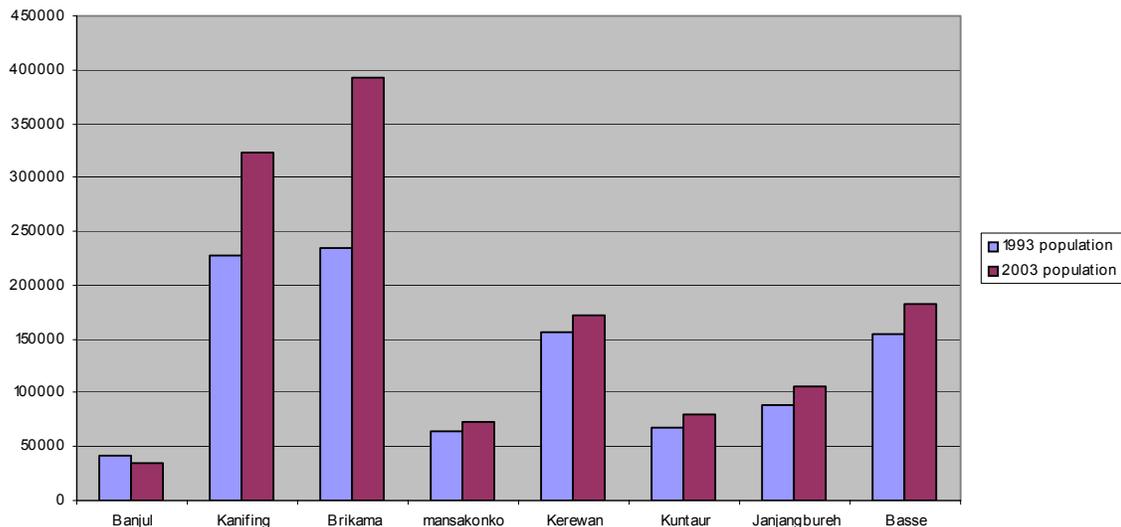
MAINSTREAMING POVERTY RELATED ISSUES

Mainstreaming crosscutting issues is envisaged at two levels within SPA II; first, the creating of a Thematic Group on crosscutting issues will facilitate research and program development. Secondly, because cross-cutting issues are better mainstreamed at Local Community levels, funding of programs is effected through the Social Development Fund, working directly with communities on specific gender, HIV/AIDS, environment, nutrition and population programs. Crosscutting specific programme areas have been reviewed and action plans for financing developed.

6.1. Population

Preliminary figures from the 2003 population and housing census indicate that the country's population grew by 31% during the 10 years. The urban and peri-urban areas witnessed the biggest increases in population. In fact, Banjul, the capital and its surroundings, the kombos, constitute about 51% of the total population of the country. This high concentration of the population in this area has implications on poverty particularly the growing incidence of urban poverty being realized.

Population in 1993 and 2003



Average annual population growth declined from 4.2% per annum in 1993, to 2.7% in 2003. Details of population changes between 1993 and 2003 are as shown in table 6.1 below.

The national population secretariat continues to co-ordinate population programmes with support from donor agencies such as the UNFPA and the World Bank. The national population policy has just been revised to effectively address the growing population and population related problems such as, poverty, HIV/AIDS and reproductive health issues.

A major emerging issue that has the potential of affecting the poverty reduction efforts is the growing influx of refugees into the country, phenomenon that started with the rising instability in the sub-region. Though the security situation in the sub-region has improved

slightly, the number of refugees and migrant workers as well as Gambian returnees, coming back as a result of instability in Liberia and Ivory has been on the increase. This puts a big burden on the already overstretched social services.

Table 6.1. Population growth rates 1993-2003

LGA	Growth rate 1993-2003	Percent change 1993-2003
Banjul	-1.93	-17.71
Kanifing	3.52	41.28
Brikama	5.28	67.29
Mansakonko	1.08	11.36
Kerewan	1.00	10.45
Kuntaur	1.56	16.71
Janjangbureh	1.93	21.02
Basse	1.67	18.04
The Gambia	2.77	31.44

6.2. HIV/AIDS

The prevalence rate of HIV/AIDS as captured through sentinel surveillance data of the adult sexually active population aged 15-54 years is 1.9% for HIV-1 and 0.9% for HIV-2. of these about 70% are women. The HIV prevalence rate though relatively low has been increasing gradually particularly for HIV-1 which has increased rapidly from a negligible rate to its present 1.9%. The rate of infection of HIV-2 has almost stabilized over the last few years.

The involvement of major public agencies in response to the HIV/AIDS threat was precipitated by the efforts of government to mainstream its response in its development agenda through the implementation of the World bank funded HARRP project. Other international agencies involved in the response process include WHO, UNFPA, UNDP, UNICEF and FAO. At the local level, international and local NGOs, CBOs, the British Medical research Council and private sector institutions like Standard Chartered Bank and private clinics have been involved. The last two years saw the coming into existence of two support organizations for people living with the HIV virus. Response has been in the following broad areas.

- Caring for people living with HIV/AIDS
- Mitigating impact on people infected and affected by HIV/AIDS
- Reducing vulnerability of specific population groups
- Promoting safer sex behaviours
- HIV and AIDS prevention for young people in school
- Promotion and distribution of condoms
- Prevention and control of STDs
- Provision of safe blood supply
- Promotion of safe drug injection behaviour
- Human rights and HIV/AIDS

A strategic plan containing an integrated and holistic response to HIV/AIDS has just been formulated and will be partly funded by the Global Fund.

6.3. Gender

For effective implementation of the National Policy for the Advancement of Women, the role of the Women's Bureau shifted from implementation to a coordinating role, except in the areas of Advocacy, Research and Monitoring and Evaluation. This strategic approach is needed for the effective implementation of gender issues by working in partnership with selected national institutions.

The Bureau has made remarkable strides during the year under review, especially in the following areas:

6.4. Capacity Building

- Two Women's Bureau staffs were trained on project management and implementation at PAIDWA in Cameroon.
- Gender and Poverty Focal Points in Government; NGOs and the UN System have been trained on Mainstreaming gender in policies at the Management Development Institute in The Gambia.
- Members of the National Women's Council were trained on decision-making and leadership skills at Tendaba Camp.
- Women groups were trained on HIV/AIDS prevention skills
- Community video hall operator were trained on safety video operations
- Community video hall committees were trained on Management skills

6.5. Communication and Outreach services

Under the DFID, most of the Community Video halls have been rehabilitated, though there is more to be done for them to operate effectively. Sensitisation and groups' discussions were held with women groups on the HIV/AIDS scourge. Also, Population Taskforce under the Gender and Development Project of the UNFPA funded programme under the Women's Bureau have been sensitizing on population issues.

Traditional Communicators and theatre groups have also been trained on population issues as well as on HIV/AIDS, CEDAW and NPAGW as dissemination agents of these information in the community.

6.6. Direct Interventions

Under NOORAN Jammeh Suggestion, (back to the land for food sufficiency) women's groups and communities engaged in extensive agriculture for food sufficiency through the support of Department of State of Agriculture. Farming inputs in the form of seeds and fertilizer as well as tractors were supplied to women

Through the intervention of Social Development Fund (SDF) and Local Initiative Fund (LIF), micro credit and labour saving devices, storage and processing facilities were accessed by the women. In addition, Through the Department of State for Health, women were able to access good medical services, like RH, adequate supply of drugs especially to children and lactating mothers.

The CSIP Project provided women access to Functional literacy and numeracy combined with skills training income generating activities and through the Department of State for Education, PEGEP and Jammeh Foundation, school girls were able to access scholarships and school girls retention in schools have increased. In addition, teaching materials have been reviewed to be more gender sensitive.

A National Conference on Women and HIV/AIDS was held where women delegates all over the country mapped the way forward to fight HIV/AIDS Pandemic. This supported by the National AIDS Secretariat and Action Aid The Gambia

6.7. Nutrition

i) Micronutrient Control Program

Under the Micronutrient Control Program, vitamin A deficiency (VAD), iron deficiency anaemia (IDA) and iodine deficiency disorders (IDDs). The objective is to reduce morbidity and mortality among children under five years old targeting children under five years and postpartum women within eight weeks after delivery.

Supplementation of children under five with vitamin A capsule is in progress. This is done through the routine supplementation at the MCH clinics, National Immunisation Days (NIDS) held once a year and the Nutrition Surveillance Program, which is conducted twice in the year in more than 400 PHC villages covering more than 50,000 children under five. At the moment 49 health facilities including all the hospitals and major health centres are implementing the vitamin A supplementation program. The supplementation of post-partum mother's is done within eight weeks after delivery is also in progress.

One of the major constraints faced by the program is the high staff turnover being experienced by the Department of State for Health (DoSH). Staff already trained either leave the service or are transferred to other stations. This has really hampered the program because the new staff who are not trained do not issue the vitamin A capsules or record it on the infant welfare card.

ii) Salt Iodisation Program

The improved the health and nutritional status of the Gambian population, especially children and women. Production of quality salt has begun in a number of salt mines and a National Association of Salt Producers and Traders with the membership drawn from all parts the country has been established. A behavior change communication package promoting the consumption of Iodised salt has been developed and is currently being aired as spots on both the TV and Radio.

iii) Iron Deficiency Anaemia (IDA)

The objective is to prevent and control Anaemia and thereby contribute to the reduction of maternal mortality, targeting mainly pregnant mothers. NaNA continues to procure iron/folate tablets to complement the Department of State of Health's (DOSH) effort in meeting the requirements. The main constraint encountered in reducing anaemia and its negative consequences is the non-compliance of the pregnant women to consume the tablets and the low intake of iron rich foods. Thus the current strategy has to be improved especially

the counseling of pregnant women by nurses at health facilities and other avenues to deliver the supplements.

iv) Infant and Young Child Nutrition

This programme aims to improve infant and young child feeding practices through the promotion of exclusive breastfeeding and the introduction of complementary foods at six months and continue breastfeeding up to two years or beyond. Training of VSGs continues and during the period under review an additional 237 VSGs from 40 communities in the URD and the North Bank Division have been trained on the BFCI package. The VSGs are trained on maternal nutrition and infant and young child feeding practices among other things.

Work on the moringa study, which is a joint collaborative study between the ITC and NaNA, is underway. The main thrust of this study is to determine whether adding moringa powder to the complementary foods of the children has any effect on their growth and health. Some materials/equipment for the rehabilitation of severely malnourished children in hospitals and health facilities have been procured and supplied. This is in line with the integrated management of childhood illnesses.

v) BFCI

The Baby Friendly Community initiative (BFCI), a comprehensive community based health and nutrition package aimed at improving the health and nutritional status of women and children, targets members of the communities especially women and children.

The increase in the coverage of the communities implementing the BFCI led to an increase in the prevalence of children under six months who have been exclusively breastfed. Environmental sanitation in these communities have also improved, but if the environmental sanitation aspect of the BFCI program is to have more impact, sanitary materials have to be provided to the communities and this would require the commitment of more funds.

The implementation of some components in the BFCI such as the practice of exclusive breastfeeding earlier faced some resistance from some people in the communities. However, through persistent counseling and training there is increased knowledge on infant and young child feeding issues and a gradual change of attitude. Amongst the lessons learnt was that the inclusion of men as members of the village support groups has also increased knowledge and sense of responsibility towards maternal, infant and adolescent nutrition. It was also realised that men are key in decision making in the communities even on issues regarding breastfeeding.

CHAPTER 7

LESSONS LEARNT AND THE WAY FORWARD

7.1. Progress on SPA II Action Plan

Like most HIPCs, the first year of PRSP implementation has uncovered a number of constraints faced by the GOTG in managing the long-term process of reducing poverty. These constraints are not only related to external shocks, although these shocks (e.g. the drought of 2002) played a critical part in poor development outcomes.

The preparation of this report took place against the background of a changing Macro-Economic setting in The Gambia, and significant delays in the development of specific Sector Investment Programs pursuing the PRSP objectives. The PRSP process has met up with some significant setbacks: among these are fiscal slippages in 2001-2002, the suspension of the PRGF program of the IMF around October of 2003, growing concern over debt sustainability and price instability. There are a number of reasons for these “slippages” over the Macro-Economic Framework proposed in the PRSP, the most important of which was failure to align day to day economic management with the policy directives emanating from the PRSP. The re-emergence of macro-fiscal instability has led to insufficient resources being available for poverty reduction programs, whilst poor sector ownership has resulted in scarce resources not being put to effective use within clearly defined poverty reduction priority actions.

Likewise, the institutional framework within which PRS programs are to be implemented has suffered considerable delay in its formation. This has led to a lack of ownership of the sector programs by Departments of State and misunderstandings on the priorities to be pursued in the immediate aftermath of the Geneva Round Table Conference.

Overall, the country got to a slow start for the first 18 months of implementation of the PRSP i.e. July 2002 to December 2003. Following the roundtable in November 2002, government started the setting up of the structures required for implementation. This was followed up by the development of systems and procedures such as the re-alignment of the budget with PRSP/SPA II priorities, development of the poverty monitoring strategy, and sensitization activities at all levels of society. Government is making efforts to honour its commitment of devoting 30 percent of its budget to priority poverty reducing actions identified in the PRSP. In addition to reforms in the budget process to ensure focus of spending on priority sectors as well enhance determination of impact being realized.

It should be noted however that commitments and pledges made at the roundtable are not being honoured. This has brought about serious shortfall in revenue targets added to the shortfalls that already existed. Thus realizing that however good our strategic orientation towards poverty is, much of how poverty is reduced depends on availability of resources to fund priority programmes. Therefore vigorous follow-ups are being made with donors on their respective commitments and pledges made at the roundtable.

Implementation progress is detailed out in the matrix below.

Table 7.1. Outputs and expected impacts of SPA II Action Plan (2003-2005)

Expected Impact	Outputs	
Increased security against macro-economic instability.	Memorandum of Economic and Financial Policies for 2003-2005.	A Staff Monitored Program between GOTG and the IMF to pave the way for sustaining Macro-economic and Structural Reforms. DOSFEA is also exploring avenues for addressing the Domestic Debt through the creation of a DDF. An Aid Coordination Unit has been established at the DOSFEA and should be operational by early 2005.
Improved Coordination and Funding of the Social Sectors Investment Program.	Program-based SWAp arrangement for the Social Sectors (Health, Education, Agriculture, and NP&HIV-AIDS).	The Draft Letter of Intent for DOSE SWAP has been finalised and awaits signing. The Health PER up-date will identify the basic health services to be integrated in the Health SWAP. Unfortunately, the Nutrition-Pop. – HIV-AIDS working Group is still not operating as a unique body. An up-date of the DOSA PER will be conducted after re-appraisal of Agricultural Policy.
Improved coverage, efficiency and sustainability of basic social services.	Achievement of social sector targets.	Acute resource requirements have emerged in the funding of basic social services, due to the effect of debt servicing on allocations to the Social Sectors. It is expected that addressing the Domestic Debt issue will free more resources for allocation to the social sectors.
Improved Management of Public Enterprise Sector	A multi-sector Regulatory Agency.	The Public Utilities and Regulatory Authority has been established, Professional staff are being appointed and the Authority is gradually becoming fully operational.
A Social Fund for Protection of the poor and vulnerable	Direct Funding for a Country Risk Management Framework.	At the initiative of GOTG, the WB, the ADB, IFAD and the EU have agreed, in principle to the coordination of interventions within a CDD / Social Fund program. GOTG is working to finalise protocols and to identify a domestic seed funding base for discussion at the next RTC.
Improved infrastructure for economic empowerment and private sector development.	Public Infrastructure Investment Program	Road Infrastructure has expanded significantly, but mainly through external financing. A PER has just been completed for the infrastructure sector and will help to rationalise a capital expenditure program in Infrastructure and identify suitable measures to sustain the recurrent cost implications of expansion of Infrastructure.
Enhanced participation of CSOs at Macro-, Meso- and Micro Levels.	A Secretariat to co-ordinate Civil Society engagement in SPA II Process.	The Pro-Poor Advocacy Group, an NGO funded by DFID has been in operation since 2002; the NGO is undertaking participatory budgeting and social accountability exercises with Grass Roots communities. The thematic group on participation and participatory processes is also actively engaged with grassroots institutions
Enhanced Monitoring of SPA II processes, outputs and outcomes.	A Poverty Monitoring System. A Feed-back mechanism to decision-making.	The Poverty Monitoring Strategy was finalised and validated in 2003, integrating monitoring of the MDGs into the plan. Capacity assessment for implementing the PMS has been effected and funding measures are being discussed with the UNDP. Discussions have been held with Local Government Authorities for poverty monitoring activities at the decentralised level.

7.2. Major constraints/challenges

At the macro level, the major constraint faced in current attempts at implementation of The Gambia's PRSP is human resource scarcity. As at now most of the people who worked with the World Bank on the costing and financing exercise have now left the Civil Service. The high attrition and turn over within the "PRSP team" has also spread to the social sectors with poor transmission of technical information from one team to another. Scarce technical and

financial resources needed to address the critical implementation bottlenecks faced at the implementation stage aggravate the poor human resource base.

Both government and The Gambia's development partners have identified a whole range of constraints and obstacles to accelerate PRSP implementation but the central question is one of how the slow pace of implementation can be accelerated. There is need for the enlargement and increased intensity for broad based participation of all stakeholders in the implementation and monitoring of SPA II

The recent Public Expenditure Review (PER) undertaken by the World Bank, DFID and UNDP identified similar issues as constraints that impede effective implementation of the PRSP/SPA II.

The PER identified as constraints capacity gaps at policy, sector and LGA levels due to inadequacy of skills, weak systems and processes and the high attrition rate in the civil service as well as the slow pace of implementation of the decentralization and local government reform process.

As a result of this serious human resource constraint across all the sectors, sector investment programmes remain undeveloped, the provisional costing of the PRSP programme could not be finalized as yet and the status of funding of these programmes cannot be determined. A study of absorptive capacities of public institutions proposed as well as the Civil service reform agenda will be crucial in addressing these constraints

7.3. Conclusions

The multi-sectoral PER made major recommendations relevant to improving implementation of the PRSP and are being reproduced here as their implementation are crucial for the successful implementation of the PRSP.

a) Reducing debt service through fiscal discipline should be a top priority.

Large debt payments have crowded out other expenditures, in particular PRSP expenditures. There is need to achieve a minimum primary balance of 3.0 percent in the long run in order to maintain fiscal and debt sustainability. Primary balance greater than 3.0 percent will allow the authorities to reduce the debt level. It will also require improving the coordination of monetary and fiscal policies as high interest rates are the main cause of the large domestic debt burden.

b) PRSP priorities need to be further reflected in the national budget.

The decline in the share of recurrent expenditures on social services, particularly for the Education sector, needs to be halted and reserved. Expenditures for government bodies directly supporting improvement of governance should be increased. They include National Assembly, the National Audit Office, DOS for Justice and Judiciary. Expenditures on non-Defense General Administrations should be reduced in order to release more resources for PRSP priority expenditures.

c) Major imbalances in the structure of the budget needs to be adjusted.

First, the imbalance between current and capital expenditures should be addressed. Given the constraints in increasing current expenditures, government should consider reducing the rate of increase of capital expenditures. Second, major declines in salary and wages should be achieved through civil service reform and not simply by real wage reductions. Otherwise, civil service morale and performance will be adversely affected, and efforts to improve public financial management will be undermined.

d) Phase out cash budgeting but in line with improvement in budget management.

The current cash rationing system should be eventually replaced by a more conventional budget system, but the discontinuation of cash budgeting should be linked with improvements in overall budget management, particularly the strengthening of internal control and internal auditing. In the interim, the authorities should minimize the adverse effects of cash budgeting on service delivery by various measures, including by refocusing the centralized cash budgeting committee (NEFCOM) on issuing and enforcing broad cash ceilings instead of approving each payment item.

e) The MTEF and IFMIS work plans should be revised.

The original schedule is no longer realistically feasible. The revision of the work plan needs to reflect the fact that there has been long delays due to local capacity constraints, lack of commitment, and lack of incentives. The sectoral PERs will need to be updated and expanded. The MTEF will be difficult to implement with the cash budgeting system in operation.

f) Recurrent expenditures for the social sectors should be increased, particularly for Education.

For Education, the quality of teaching should be improved through training and performance monitoring of teachers, and higher allowance for teachers should be considered to reduce attrition. For Health, administrative capacity needs to be strengthened, personnel improved through financial and non-financial incentive schemes, and the supply of drugs increased and better managed.

The proposed research agenda including: implementation of PRSP programs and activities; poverty assessment using the 2003 census and household survey; agricultural sector study; update of the Development Policy Review; and assessment of the tax policy and regime needs to be implemented during the upcoming years.

g) Poverty targets no longer feasible

The results of the poverty analysis of the PER point to a scenario that both the MDG targets as well as the targets in the PRSP are not likely to be achieved during the period. Also given that the macro-economic targets set for the period are way off track at the moment coupled with the relapses in implementation of the work plan, the most feasible thing to do now is to lengthen the time horizon required to achieving the stated objectives of the PRSP.

Appendix 1: GDP BY KIND OF ECONOMIC ACTIVITY AT CURRENT PRICES FROM 1996 TO 2003

INDUSTRY	1995	1996	1997	1998	1999	2000	2001	2002	2003
Agriculture	727240	656239	77218	776634	1041322	1160187	1183678	1178211	1742869
1.1. Crop Production	458666	372344	504599	520572	737315	844410	933525	874462	1095042
1.1.1 Groundnut	167389	90568	190044	178744	299195	335873	367598	339661	500518
1.1.2 Other Crops	291277	281776	314555	341828	438120	508537	565927	534801	594524
1.2 Livestock	158134	164591	161320	188073	204050	212754	227902	279682	349043
1.4 Forestry	15310	16565	17924	19394	20170	20977	22252	24068	28785
1.3 Fishing	95130	102739	88355	48595	79788	82046	96814	114241	125665
2. Mining and Quarrying	822	889	962	1041	1126	1219	1319	1427	1545
2. Manufacturing	155980	160536	167670	172057	169388	1722776	175705	183801	186916
2.1 Large & Medium Manufacturing	93047	95765	100020	102637	103140	105203	106781	112120	113801
2.2 Small Scale Manufacturing	62933	64772	67650	69420	66248	67573	68924	71681	73115
3. Electricity & Water	21105	260060	32275	39972	41491	43067	44704	53197	63305
4. Building & Construction	115144	260108	136067	169606	173517	177519	181590	200039	243752
5. Trade	1205725	1248445	1284985	1424795	1343209	1421130	1371573	1435625	1503562
5.1 Groundnut	73947	69593	69678	73371	80708	84445	88355	101078	115634
5.2 Others	1131778	1178852	1215307	1351424	1262501	1336665	1283218	1334546	1387928
6. Hotels & Restaurants	98717	176438	185180	212169	213298	189033	207986	228846	315350
7. Transport	199720	205312	217014	228299	234932	244329	271792	299541	333210
8. Communication	120790	127967	118096	152652	146074	213538	228551	253723	258797
9. Real Estate & Bus. Ser.	218826	226704	234865	243320	258123	273826	290484	308156	326903
10. Other Services	124982	128031	13339	138929	146660	154821	136437	172531	196520
11. Public Administration	209237	226234	234016	240568	241852	251526	272050	297079	330649
TOTAL SERVICES	2009957	2303412	2239868	246400	2435105	2589751	2627060	2797384	3062460
12. GDP at Factor Cost	3198601	3443308	3517046	3800460	4011451	4303475	439428	4612788	5234050

Appendix 2: CONSUMER PRICE INDEX (BASE: 1974 =100) FOR LOW INCOME POPULATION IN BANJUL AND KOMBO ST. MARY BY GROUPS AND SUBGROUPS.

Groups & Sub-Groups	February	March	April	May	June	July	August	September	October	November	December	January
1. All Food, Drinks & Tobacco	2159.67	2187.58	2240.21	2245.26	2280.37	2308.34	2344.46	2394.51	2420.42	2449.97	2499.76	2537.39
(i) Cereals & Cereal Products	1316.04	1372.82	1402.32	1403.42	1432.09	1458.86	1487.81	1501.11	1516.78	1541.37	1616.49	1626.13
(ii) Roots, Pulses, Nuts & Seeds	1773.62	1797.06	1879.65	1883.70	1913.07	1919.13	1955.71	1966.24	1974.54	1984.08	2003.02	2033.15
(iii) Vegetables and Fruits	1801.98	1806.63	1841.50	1845.49	1847.58	1847.57	1862.73	1863.66	1859.44	1883.71	1925.04	1916.92
(iv) Meat, Poultry, Eggs & Fish	4001.42	4007.75	4095.01	4092.10	4164.02	4193.97	4235.94	4384.26	4439.66	4491.38	4536.35	4596.60
(v)Milk & Milk products	2061.01	2097.92	2132.37	2133.76	2155.91	2193.08	2236.74	2257.60	2280.30	2303.13	4536.35	2385.87
1. Milk & Dairy products	3496.15	3554.88	3653.45	3654.13	3690.73	3756.59	3817.44	3848.11	3898.50	3955.88	3988.86	4087.19
2. Oil & Fats	1563.49	1592.84	1605.07	1606.69	1623.84	1651.07	1688.76	1706.23	1718.96	1730.17	1770.86	1796.08
3. Processed Foods	1641.08	1663.85	1718.47	1739.94	1791.70	1815.29	1856.98	1911.58	1943.25	1943.25	2023.51	2089.07
4. Spices	1410.68	1435.19	1490.30	1525.23	1581.30	1605.77	1613.26	1677.36	1677.58	1725.99	1806.96	1896.58
5. Sugar	2188.83	2209.04	2288.08	2345.43	2376.61	2441.82	2527.33	2558.83	2558.83	2626.23	2676.02	2691.00
6. Beverages & Alcoholic Drinks	546.81	564.52	585.57	610.03	613.11	637.33	645.28	670.15	675.40	675.83	680.31	706.06
7. Tobacco & Tobacco products	1995	1996.04	2031.12	2052.74	2136.68	2148.24	2206.85	2281.23	2347.23	2349.11	2390.95	2460.10
	2302	2387.33	2472.07	2472.07	2505.70	2526.96	2624.23	2657.33	2730.16	2791.28	2841.95	2935.29
2. Non-Food Items	1525.23	1550.83	1580.24	1591.16	1603.44	1613.58	1628.76	1664.67	1676.59	1713.27	1740.36	1743.83
A. Housing	1655.84	1655.84	1655.84	1655.84	1688.31	1704.55	1720.78	1720.78	1720.78	1883.12	1883.12	1904.76
B. Fuel & Light	2536.40	2602.40	2663.79	2705.23	2747.30	2782.11	2804.11	2865.41	2945.51	3032.86	3208	3208.32
C. Clothing, Textiles & Footwear	1079.08	1096.97	1149.96	1150.23	1154.25	1157.10	1162.71	1173.44	1173.49	1177.92	1181.33	1181.65
(a). Clothing materials	850.15	876.09	899.90	899.90	907.38	910.79	921.44	921.61	921.54	930.47	936.80	936.80
(b). Ready-made Cloths & Footwear	1197.82	1208.91	1285.06	1285.03	1286.41	1289.25	1290.98	1314.23	1314.36	1315.26	1316.45	1371.04
©. Tailoring charges	1637.00	1641.49	1723.35	1726.59	1726.59	1726.59	1726.59	1726.59	1726.59	1726.59	1726.59	1727.07
D. Miscellaneous Items	1600.34	1614.57	1616.51	1631.48	1634.39	1641.00	1663.79	1730.56	1734.02	1742.15	1748.72	1750.64
(a). Household Items	1477.95	1501.93	1541.45	1529.30	1530.29	1533.88	1534.25	1559.52	1559.74	1561.13	1567.72	1571.73
(i). Furnishing, Decores &	1329.72	1340.69	1380.89	1373.97	1374.51	1374.59	1374.63	1415.54	1415.50	1416.38	1421.27	1424.42
	1853.39	1904.55	1949.12	1925.98	1927.91	1938.14	1939.14	1941.24	1941.95	1944.43	1955.02	1961.17

Groups & Sub-Groups	February	March	April	May	June	July	August	September	October	November	December	January
Utensils	725.71	725.71	725.71	725.71	725.71	725.71	725.71	725.71	725.71	725.71	725.71	725.71
(ii). Soap and detergents	1459.75	1506.95	1560.89	1544.50	1544.50	1544.40	1610.66	1630.17	1648.52	1657.06	1691.08	1692.51
(iii). Laundry services	1454.11	1455.43	1480.16	1510.87	1508.47	1513.10	1526.09	1526.09	1530.43	1530.43	1531.52	1531.52
(b). Transport & Communication	2772.22	2791.67	2791.67	2791.67	2815.97	2840.28	2944.44	3444.44	3448.89	3511.11	3511.11	3511.11
©. Health Care and services	3083.33	3125.00	3125.00	3125.00	3177.08	3229.17	3452.38	4523.81	4533.33	4666.67	4666.67	4666.67
(d). Education	2500.00	2500.00	2500.00	2500.00	2500.00	2500.00	2500.00	2500.00	2500.00	2500.00	2500.00	2500.00
8. School	1506.18	1538.81	1539.76	1540.70	1540.83	1546.45	1555.30	1557.88	1558.03	1558.39	1558.84	1559.01
Books/Stationary	1209.00	1220.35	1220.35	1220.35	1220.35	1232.49	1238.53	1256.35	1258.41	1258.51	1258.15	1257.90
9. Other Educational Expenses	1904.91	1929.68	1971.65	1983.91	2006.21	2026.96	2054.60	2098.93	2119.17	2151.61	2192.21	2216.00
(e). Recreation & Entertainment	1766.20	1786.81	1810.76	1835.67	1862.39	1890.75	1920.55	1947.17	1973.11	1999.06	2026.36	2054.65
(f). Personal Care & services	9.58	10.26	11.13	12.04	13.11	14.28	15.52	16.10	16.47	16.66	17.03	17.57
All Item Index												
12 Month Moving Average												
Annual Inflation Rate												

Source: Central Statistics Department, Banjul The Gambia December 2003.